



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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August 25, 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
Fourth Quarter of SFY 2021 due August 1, 2021

The 2021 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.

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 – Q4, FY2021

A Report to the Virginia General Assembly

August 1, 2021

Report Mandate:

The 2021 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 fourth 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 1.8 million Virginians. Members have access to primary and specialty health services, inpatient care, dental, 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 500,000 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 Fourth Quarter

Cover Virginia CPU

For the fourth 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 fourth quarter of SFY 2021, 9,706 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. As a result of a difficult transition period from the incumbent vendor, the Department engaged a new team of state staff, the Application Processing Team (APT). This team of experienced state and local staff processed applications remaining from the prior contract through March 15, 2021. The new vendor assumed responsibility of operations on March 29, 2021, which included inventory from March 16, 2021 forward. Systems, transition work products, and training were extensively tested however, significant issues were experienced bringing up operations.

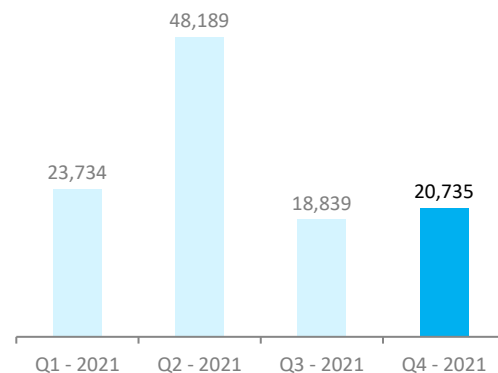
The call center was unable to take calls on the first day of operations due to internal systems and connectivity failures. During this performance period, Maximus satisfactorily met service level agreements (SLAs) for the call center and are currently answering calls with less than 90 second wait times. Quality continues to be a needed area of improvement. The vendor has struggled with eligibility processing which has resulted in a backlog of applications exceeding processing guidelines.

The Department is providing oversight in all areas of operations while Maximus performs in accordance with the corrective action plan (CAP) to come into compliance by October 1, 2021. Department staff are providing assistance through weekly department meetings, operational meetings, and CAP meetings with leadership, in addition to biweekly Steering Committee meetings.

During this quarter, the Cover Virginia CPU received 20,735 applications for processing. Of those, 46.8 percent (9,706) were received from the FFM, 19.1

percent (3,957) were telephonic applications, 33.8 percent (7,020) were received online through CommonHelp, 0.3 percent (52) were through other sources.

**Chart 1 –
Total New Application Volume Q4 SFY2021**



Source: Cover Virginia Monthly Reports

Average Monthly Volume

The average monthly volume of new applications received by Cover Virginia during the fourth quarter of SFY 2021 was 6,912. 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 fourth quarter of SFY 2021, 24 percent (2,307) of applications were approved and 42 percent (3,984) were denied. The remaining 34 percent of applications were transferred to the appropriate LDSS (3,223) or are in a pending status as of the writing of this report (11,221). A majority of transfers occurred due to a reported change on an active case which was being maintained by a LDSS agency

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.

The CVIU is a special unit dedicated to Medicaid eligibility for justice involved populations. Communications are streamlined between Cover Virginia and correctional facilities. In accordance with federal regulations, Medicaid eligibility for incarcerated individuals only covers inpatient hospitalizations 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 process within the CVIU became effective January 1, 2019, for the regional and local jails and the DJJ.

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 6,880 calls were received by the CVIU from correctional facilities for new telephonic applications. Also during the reporting quarter, 1,060 applications for incarcerated individuals were received, of which 688 were approved for Medicaid benefits. 109 applications were 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 increased 47 percent during this reporting period. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release for 4,135 offenders. The following chart represents the breakdown by month of prerelease actions for this reporting period:

Daily Release	Apr 2021	May 2021	June 2021
Totals	946	1,331	1,858

Since the implementation of the CVIU in November 2018, 35,323 applications have been received and

processed. As of the end of June 2021, 19,173 offenders are enrolled in Medicaid.

Hospital Presumptive Eligibility (HPE)

The Cover Virginia CPU administers special processes that facilitate compliance with the federally required Hospital Presumptive Eligibility 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 265 HPE enrollments. 86 requests were denied, which includes individuals who were 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, 8,159 newborns were enrolled through the expedited process

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.

Below shows a comparison of fourth quarter call center volume. SFY 2019 was the result of Medicaid Expansion.

SFY 2019 fourth quarter Call Volume: 214,857
SFY 2020 fourth quarter Call Volume: 165,584
SFY 2021 fourth quarter Call Volume: 181,256

SFY 2019 fourth quarter applications taken: 18,509
SFY 2020 fourth quarter applications taken: 13,866
SFY 2021 fourth quarter applications taken: 10,199

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

- 181,256 calls came into Cover Virginia with 32 percent of calls self-servicing through the interactive voice response (IVR) system.
- The number of calls routed to a call representative for the fourth quarter of SFY 2021 was 123,320; a 19 percent decrease from the previous quarter.
- The monthly average number of calls for the fourth quarter was 60,419.
- Customer service representatives spoke directly with approximately 76 percent of callers and the remaining 24 percent disconnected, likely due to long wait-times.
- The call center submitted 10,199 new telephonic applications and 1,318 telephonic annual renewals.

Since the middle of June 2021, the current vendor, Maximus, has met and exceeded the contract's requirements of performance of answering calls.

Cover Virginia Website

The new Cover Virginia website (coverva.org) went live on October 1, 2013. The website was redesigned in spring 2014 and again in March 2019 to allow mobile phone capabilities. On June 7, 2018, a new Medicaid Expansion page was added to coverva.org.

On March 29, 2021, a new Cover Virginia website, now managed by Maximus went live. The website includes detailed information about coverage for adults, children, and pregnant individuals. An Eligibility Screening Tool is available to assist users in finding out if they might qualify for coverage. The website 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 April 1 and June 30, more than 1,102 unique individuals accessed the Expansion page and more than 3,624 unique visitors accessed the Eligibility Screening Tool.

In the fourth quarter of SFY 2021

- The Cover Virginia website received 102,762 unique (unduplicated) visits:
 - April: 39,768
 - May: 29,362
 - June: 33,388
- This represents a 19.9 percent decrease from the third quarter of SFY2021. This decrease indicates that there was a slight decline in website activity during the spring months as the COVID-19 health crisis continued to effect outreach and events. 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: 32,280 visits
 - Our Programs page: 10,208 visits
 - Member Handbooks: 7,882 visits
 - Am I Eligible page: 6,097 visits
 - Health Plans: 5,982 visits
- The Apply page received the most visits during this period, which indicates that people were coming to the site with the express purpose of applying for coverage to include using the external links, Commonhelp.gov and Healthcare.gov.
- The second most visited page was the Our Programs page, which indicates many visitors of the Cover VA website were looking at the various Medicaid programs and researching eligibility and coverage options available.
- The most significant changes made to the website during this quarter included the addition of new coverage for pregnant noncitizens, new adult dental coverage information, and updating of the Cover Virginia telephone number.

Quality Improvement

The new Cover Virginia vendor has struggled with quality since taking over the contract. There have been improvements in each production unit and DMAS is working with them to bring all quality measurements in line with contractual requirements.

For this reporting period, the quality team reported the following results averaged for the fourth quarter:

Production Unit	# Audits	% Accuracy
MAGI Call Center	7,225	74%
CPU Eligibility	759	71%
CVIU Call Center	357	76%
CVIU Eligibility	271	76%

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.

Virginia executed a new contract with Maximus effective March 29, 2021. The contract term is October 8, 2020 through March 31, 2026. Maximus began implementation on 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.

The contractor was paid a total of \$7,390,931 for implementation work for the quarter ending June 30, 2021.

Contractual Budget

Cover Virginia Costs Quarter: Apr-Jun 2021	
Total Quarterly Costs	\$7,390,931
General Funds	\$585,014
Federal Funds	\$6,520,390
**Special Funds	\$285,527

* Medicaid costs for implementation are reimbursed at 90 percent enhanced federal financial participation (FFP)

match rate. CHIP costs are reimbursed at a federal match rate of 72.22 percent.

Summary

The fourth quarter of SFY 2021 continued to experience a steady volume for the Cover Virginia operational units. Call center volumes were directly impacted by the delay in application processing which generates repeat callers. Fortunately, the call center is compliant and able to answer calls in a timely manner and the vendor, Maximus has maintained this performance since June 2021.

The vendor is operating under a targeted CAP in application processing for a compliance date by October 2021; prior to the start of the November 1, 2021 open enrollment.

As part of the current contract, the vendor is also holding monthly stakeholder engagement meetings to manage stakeholder expectations in coordination with the Department. DMAS worked closely with the contractor to ensure minimal impacts due to the COVID-19 public health emergency with over 85 percent of staff teleworking from home. Challenges include staff access to sufficient internet bandwidth and childcare issues and as a result, attendance issues.

The Department continues to monitor the vendor's performance against contractual deliverables and has addressed concerns through daily and weekly meetings and written correspondence as appropriate.