



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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September 11, 2023

MEMORANDUM

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

The Honorable Barry D. Knight
Chair, House Appropriations Committee

Michael Maul
Director, Virginia Department of Planning and Budget

FROM: Cheryl Roberts
Director, Virginia Department of Medical Assistance Services

SUBJECT: The Cover Virginia Central Processing Unit Quarterly Report – Q4, FY2023

This report is submitted in compliance with Item 308.O.2. of the 2022 Appropriations Act which states:

308.O.2. Out of this appropriation, \$3,283,004 the first year and \$3,283,004 the second year from the general fund and \$9,839,000 the first year and \$9,839,000 the second year from nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace, telephonic applications through the call center, or electronically submitted Medicaid-only applications. The department shall report the number of applications processed on a monthly basis and payments made to the contractor to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance and Appropriations Committees. The report shall be submitted no later than 60 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 804-664-2660.

CR/wrf
Enclosure

Pc: The Honorable John Littel, Secretary of Health and Human Resources

The Cover Virginia Central Processing Unit – Q4, FY2023

A Report to the Virginia General Assembly

September 11, 2023

Report Mandate:

Item 308.O.2. of the 2022 Appropriation Act, states, “Out of this appropriation, \$3,283,004 the first year and \$3,283,004 the second year from the general fund and \$9,839,000 the first year and \$9,839,000 the second year from nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace, telephonic applications through the call center, or electronically submitted Medicaid-only applications. The department shall report the number of applications processed on a monthly basis and payments made to the contractor to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance and Appropriations Committees. The report shall be submitted no later than 60 days after the end of each quarter of the fiscal year.”

Background

Cover Virginia provides Medicaid and Children’s Health Insurance Program (CHIP) information and services through a robust operation. Cover Virginia includes the statewide call center, which accepts telephonic applications and renewals for the Medicaid program and provides general information and guidance to callers. The Central Processing Unit (CPU) processes thousands of Medicaid applications and screens all applications received telephonically, online, and those referred from the Federal Marketplace. The Cover Virginia Incarcerated Unit is a specialized unit that works in collaboration with the Department of Corrections (DOC), local and regional jails, and the Department of Juvenile Justice (DJJ) to accept, process, and maintain applications for justice-involved populations in Virginia. Cover Virginia plays an integral role in the administration of Medicaid program in Virginia.

The passage of the Patient Protection and Affordable Care Act (ACA) in 2010 mandated states make changes to their Medicaid and CHIP programs. These changes include 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. To address the increased volume of

The mission of the Virginia Medicaid agency is to improve the health and well-being of Virginians through access to high-quality health care coverage.

The Department of Medical Assistance Services (DMAS) administers Virginia’s Medicaid and CHIP programs for over 2 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 700,000 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 an approximate 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% for newly eligible adults, generating cost savings that benefit the overall state budget.

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 monitoring and oversight. The CPU receives applications from three primary sources: telephonic submissions through the call center, online applications from CommonHelp, and applications submitted through the Federal Marketplace on Healthcare.gov that appear to be Medicaid eligible. DMAS has oversight of the administrative services contract which includes a statewide call center, eligibility processing and all additional business process supports.

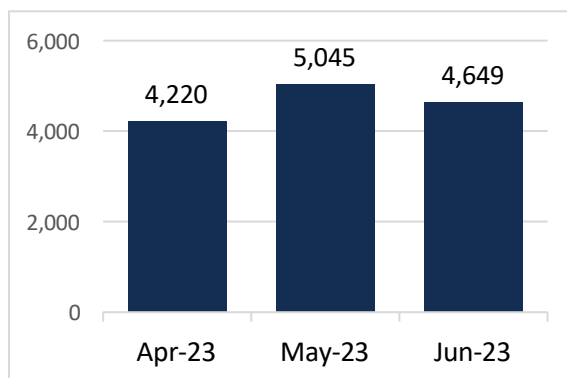
The 2017 session of the Virginia General Assembly passed HB2183, which requires the DMAS Cover Virginia team to develop and implement a specialized CPU for incarcerated individuals who may be eligible for Medicaid. This initiative for incarcerated individuals centralizes the processes to accept telephonic applications and perform ongoing case maintenance for offenders in coordination with the DOC, regional and local jails, and the DJJ. The unit also utilizes data matches through an exchange with DOC to ensure streamlined coverage changes upon release.

Operations for Q4 FY23

Cover Virginia CPU Base Contract

The CPU received a total of 13,914 applications for processing during the fourth quarter of FY23. Of those, the majority were received through CommonHelp online (35% or 4,931 applications), the Federal Marketplace (32% or 4,458 applications), or telephonic applications (32% or 4,409 applications). Only a small portion were received as paper applications (1% or 116 applications).

Chart 1 – Q4 FY23 Total New Application Volume



Source: Cover Virginia Monthly Reports

Monthly Application Volume

The above chart shows monthly application volumes received by the Cover Virginia CPU during the fourth quarter of SFY 2023.

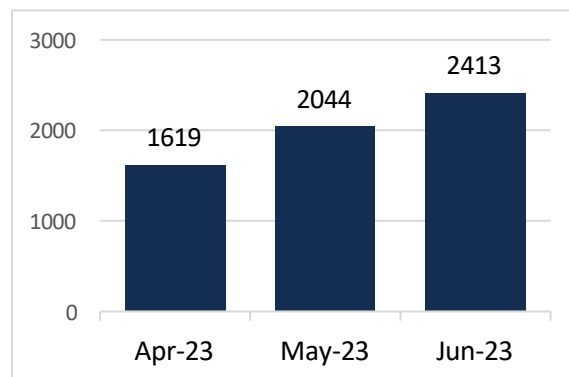
Approvals/Denials

In the fourth quarter of FY23, (34% or 4,786) of applications were approved and (28% or 3,905) were denied. The remaining applications were either transferred to the appropriate local department of social services (LDSS) agency (26% or 3,551) or are in a pending status as of the writing of this report (12% or 1,672). Reasons that Cover VA will transfer a case to the local agency include when a reported change is received via a new application on an active case which is being maintained by a local DSS agency, as well as when the decision is a spenddown or gap fill for children, which require a medically needy evaluation. This occurs when the denial is for over income, but the income is within the gap filing thresholds.

Cover Virginia CPU Renewals

On December 29, 2022, the Consolidated Appropriations Act of 2023 was passed by Congress, allowing the Commonwealth to end the continuous enrollment for Medicaid eligibility under the Families First Coronavirus Act effective March 31, 2023. This Act requires states to re-evaluate eligibility for almost 2.2 million Virginians. As a result, a contract modification was executed on March 9, 2023, for Cover VA to begin processing renewal applications in the fourth quarter of SFY 2023. The Renewal Central Processing Unit went live on April 3, 2023. Processing volumes are shown in the chart below:

Chart 1 – Q4 FY23 Total Renewal Application Volume



Source: Cover Virginia Monthly Reports

Monthly Application Volume

The CPU received a total of 6,076 renewal applications for processing during the fourth quarter of FY23. They were received through telephonic applications (79.8% or 4,851 applications), CommonHelp online (19.9% or 1,207 applications), and the Federal Marketplace (0.3% or 18 applications).

Approvals/Denials

In the fourth quarter of FY23, (56% or 3,385) renewal applications were approved and (10% or 635) were denied. The remaining renewal applications were either transferred to the appropriate local department of social services (LDSS) agency (24% or 1,431) or are in a pending status as of the writing of this report (10% or 625).

Processing of Special Populations

Cover Virginia Incarcerated Unit (CVIU)

During the quarter being reported, 3,021 calls were received by the CVIU from correctional facilities. Out of the 1,156 applications received for incarcerated individuals, the majority were approved (831 applications) for Medicaid benefits. There were 98 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. A monthly breakdown of call volume and application volume is shown below:

	Total Calls Received	Total New Applications Received	Approved	Denied
23-Apr	914	300	252	29
23-May	1,106	359	272	41
23-Jun	1,001	423	248	26
Q4 FY23 Total	3,021	1,082	772	96

	Total Renewal Applications Received	Approved	Denied
23-Apr	6	5	0
23-May	9	3	0
23-Jun	59	51	2
Q4 FY23 Total	74	59	2

CVIU application volumes increased 2% in the 4th quarter. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release for 1,062 individuals. The following chart represents the breakdown by month of pre-release actions for this reporting period:

Daily Release	April 2023	May 2023	June 2023
Total	341	377	344

Since the implementation of the CVIU in November 2018, 44,544 applications have been received and processed. As of the end of June 2023, 16,639 offenders are enrolled in limited-coverage Medicaid as an incarcerated individual.

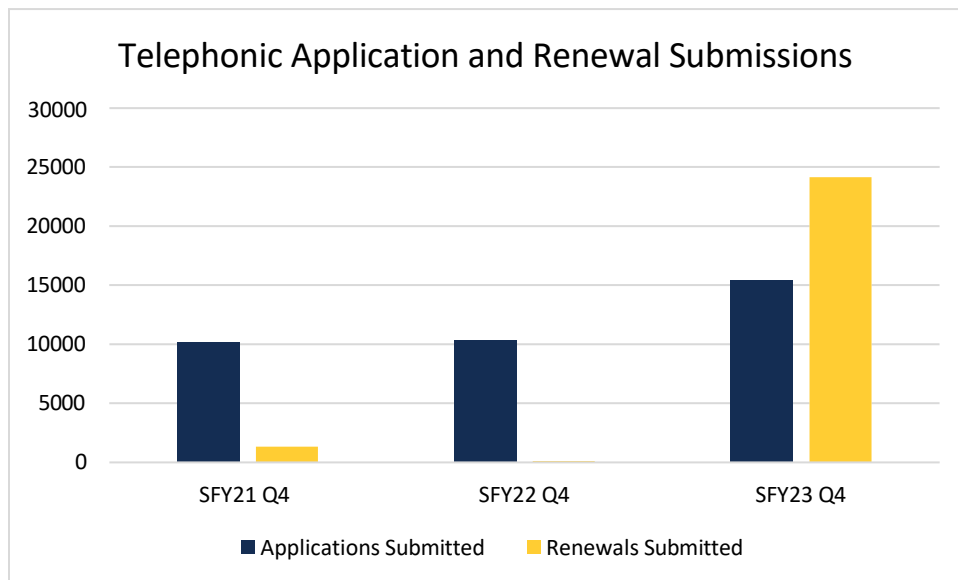
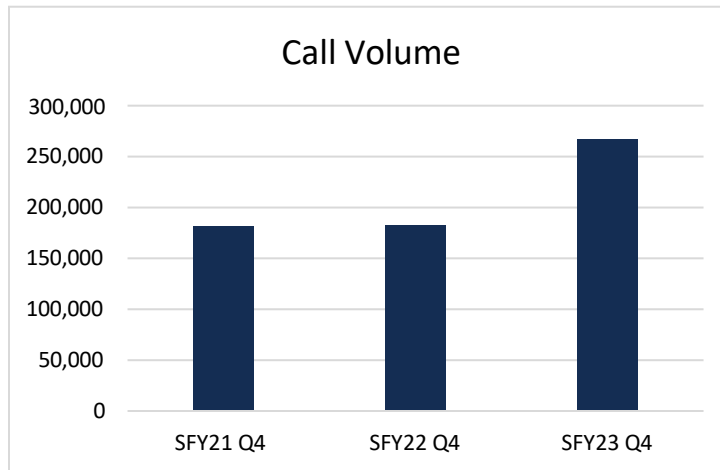
Hospital Presumptive Eligibility (HPE)

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 coverage.

During Q4 FY23, the CPU processed 68 HPE enrollments of which, 22 requests were denied, which includes individuals who were already actively enrolled in Medicaid. Currently, 48 hospitals have signed an agreement to participate in the HPE program.

Cover Virginia Call Center

Below shows a comparison of fourth quarter call center volume, new application and renewal submissions for previous fiscal years.



Data for call center activity for the fourth quarter of SFY23 is reported below:

- Call Volume during the fourth quarter SFY23 saw an increase due to the Unwinding operations going live. Most of the increase can be attributed to callers submitting telephonic renewals and inquiring about the renewal process due to the end of the continuous coverage requirement.
- 200,121 calls came into Cover Virginia, with 35% of calls self-servicing through the interactive voice response (IVR) system.
- There were 130,850 calls routed to a call center representative, a 19% increase from the previous quarter.
- The average number of calls were 66,707 per month.
- Customer service representatives spoke directly with approximately 98% of callers and the remaining 2% disconnected.

Renewal Processing Modification #3

The Cover Virginia operations center temporarily expanded to mitigate the anticipated high call volume and increased renewal application responses due to the Unwinding of renewals as a result of ending the Public Health Emergency (PHE). During this reporting period, the Department modified the current contract with Maximus to establish a renewal call center and renewal application processing unit. The period of performance under this modification is April 1, 2023, through September 30, 2024.

Contractual Budget

Operational payments of \$12,336,482 were made in the fourth quarter of SFY 2023. 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.

Penalty Assessments

The contract requires that penalties shall be assessed in any month when service level agreements are missed. For payments made during the fourth quarter of SFY 2023, the contractor was assessed and paid penalties of \$116,586.

Summary

The fourth quarter of SFY 2023 saw the successful implementation and expansion of Cover Virginia. Due to the Unwinding efforts, the Department worked with its vendor to hire and train additional staff over a three-month timeframe to include updating training materials and knowledge base for this new scope of work. The Department continues to monitor contractor performance against contractual deliverables and has addressed concerns through daily and weekly meetings and written correspondence as appropriate.