



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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January 13, 2024

MEMORANDUM

TO: The Honorable Louise L. Lucas
Chair, Senate Finance Committee

The Honorable Luke Torian
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 – Q1, FY2024

This report is submitted in compliance with Item 308.O.2. of the 2023 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/wf
Enclosure

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

The Cover Virginia Central Processing Unit- Q1, FY2024

A Report to the Virginia General Assembly

January 13, 2024

Report Mandate:

Item 308.O.2. of the 2023 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. Cover Virginia will have the same relationship with the State Based

About DMAS and Medicaid

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 600,000 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.

Exchange (SBE) after November 1, 2023. 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 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 Q1 SFY24

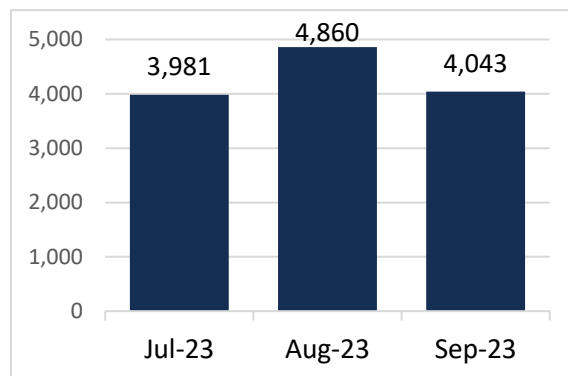
Cover Virginia CPU Base Contract

The CPU received a total of 12,884 applications for processing during the first quarter of SFY24. The majority were received through CommonHelp online (39% or 5,042 applications), telephonic applications (31% or 4,021 applications), or Federal Marketplace (28% or 3,655 applications). Only a small portion were received as paper applications (1% or 166 applications).

Monthly Application Volume

The chart below shows monthly application volumes received by the Cover Virginia CPU during the first quarter of SFY 2024.

Chart 1 – Q1 SFY24 Total New Application Volume



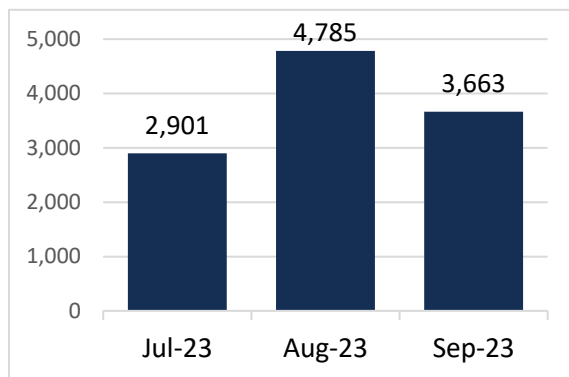
Approvals/Denials

In the first quarter of SFY24, 35% (or 4,489) of applications were approved and 27% (or 3,492) were denied. The remaining applications were either transferred to the appropriate local department of social services (LDSS) agency (25% or 3,218) or are in a pending status as of the report date (13% or 1,685). 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 SFY23. The Renewal Central Processing Unit went live on April 3, 2023. First quarter of SFY24 processing volumes are shown in the chart below:

Chart 1 – Q1 SFY24 Total Renewal Application Volume



Source: Cover Virginia Monthly Reports

Monthly Application Volume

The CPU received a total of 11,349 renewal applications for processing during the first quarter of SFY24. They were received through telephonic applications (83.8% or 9,514 applications), CommonHelp online (15.7% or 1,777 applications), and the Federal Marketplace (0.5% or 58 applications).

Approvals/Denials

In the first quarter of SFY24, 62% (or 7,031) renewal applications were approved and 3% (or 347) were denied. The remaining renewal applications were either transferred to the appropriate local department of social services (LDSS) agency (8% or 954) or are in a pending status as of the writing of this report (27% or 3,017).

Processing of Special Populations

Cover Virginia Incarcerated Unit (CVIU)

During the reporting period, 3,223 calls were received by the CVIU from correctional facilities. Out of the 1,100 applications and renewals received for incarcerated individuals, the majority were approved (821) for Medicaid benefits. There were 150 denials 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	Sent to LDSS	Pending
23-Jul	1,051	336	227	79	28	2
23-Aug	1,092	274	207	45	19	3
23-Sept	1,080	198	137	25	21	15
Q1 SFY24 Total	3,223	808	571	149	68	20

	Total Renewal Applications Received	Approved	Denied	Sent to LDSS	Pending
23-Jul	110	100	1	7	2
23-Aug	62	53	0	7	2
23-Sept	120	97	0	9	14
Q1 SFY24 Total	292	250	1	23	18

CVIU application volumes decreased 5% in the 1st quarter. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release for 1,114 individuals. The following chart represents the breakdown by month of pre-release actions for this reporting period:

Daily Release	July 2023	Aug 2023	Sept 2023
Total	355	414	345

Since the implementation of the CVIU in November 2018, 45,281 applications have been received and processed. As of the end of September 2023, 16,757 offenders are enrolled in limited-coverage Medicaid as an incarcerated individual.

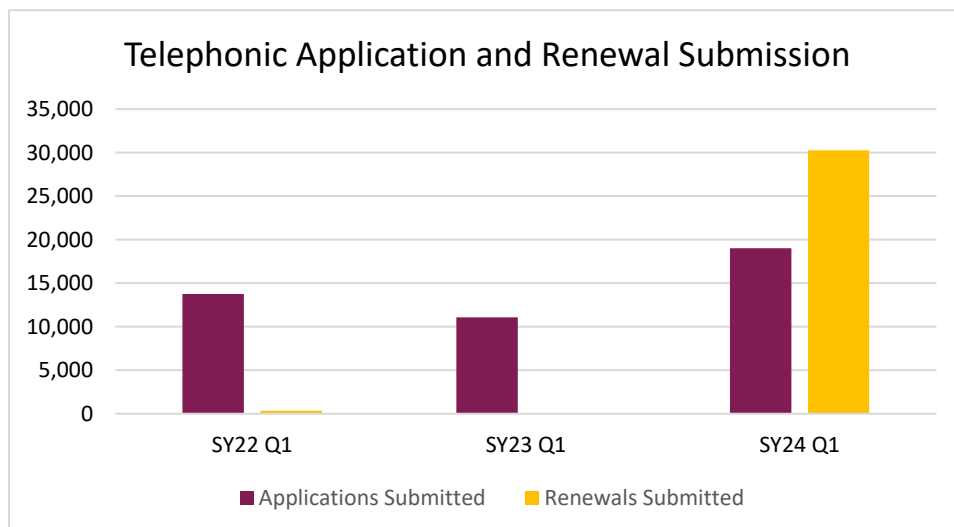
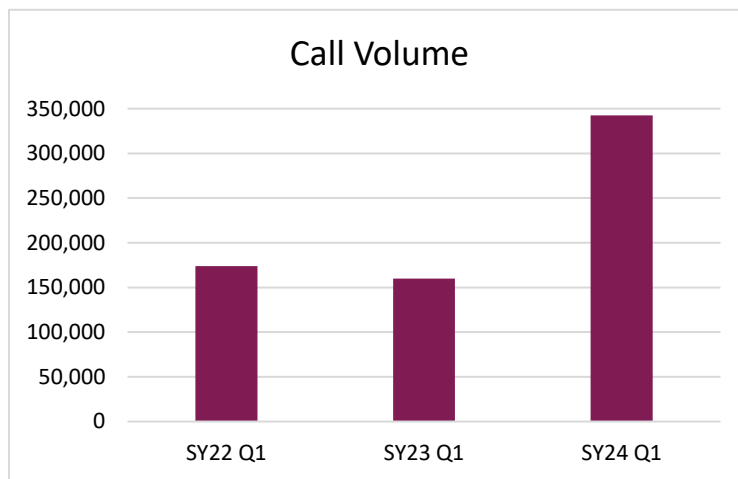
Hospital Presumptive Eligibility (HPE)

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 Q1 SFY24, the CPU processed 101 HPE enrollments of which, 31 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 first quarter call center volume, new application, and renewal submissions for previous fiscal years.



Data for call center activity for the first quarter of SFY24 is reported below:

- Call Volume during the first quarter SFY24 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.
- Cover Virginia received 342,553 calls, with 36% of calls self-servicing through the interactive voice response (IVR) system.
- There were 176,767 calls routed to a call center representative, a 15% increase from the previous quarter.
- The average number of calls were 114,184 per month.
- Customer service representatives spoke directly with approximately 91% of callers and the remaining 9% 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). Data for the Renewal Call Center activity for the first quarter of SFY24 is reported below:

- There were 43,479 renewal calls routed to a call center representative, a 44% increase from the previous quarter.
- The average number of renewal calls were 14,493 per month.
- Customer service representatives spoke directly with approximately 99% of callers, with only 1% disconnecting.

Special Initiatives

Modifications #4 and #5 were finalized during the first quarter of SFY24. These Modifications were done at no cost to the Commonwealth and included the following:

- Removal of hosting and maintenance of the Cover VA website
- All Modified Adjusted Gross Income (MAGI), Medicaid-Only Renewal Packets shall be printed with the Cover VA return address. Cover VA mailroom shall be responsible for all returned mail and packets submitted to the Cover VA address. Maximus shall be responsible for entering those packets into VaCMS so that processing can continue. This began for packets mailed beginning in July 2023 and shall end December 2023.

Maximus also handled the following no-cost initiatives during Q1 SFY24:

- Likely Ineligible Project - This project identified 55,000 recipients deemed likely not-eligible for ongoing Medicaid based on electronic sources showing over-income. Those 55,000 individuals received packets with the Cover VA return address. The Cover VA Mailroom was responsible for all submitted packets and returned mail from this project.
- Long-Term Care Outbound Calling Project – This project identified recipients enrolled in long-term

care services who were at risk of losing their Medicaid due to not submitting a renewal application. During the Quarter, Maximus made over 1,800 calls, resulting in 685 renewals being submitted.

During Q1 SFY24, the mailroom initiatives resulted in 9,069 Renewal packets being received by the Cover VA Mailroom and more than 10,000 pieces of returned mail being worked by the Mailroom.

Contractual Budget

Operational payments of \$9,879,882 were made in the first quarter of SFY 2024. 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 first quarter of SFY 2024, the contractor was assessed and paid penalties of \$69,519.

Summary

The first quarter of SFY 2024 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.