



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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March 21, 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 – Q2, 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- Q2, FY2024

A Report to the Virginia General Assembly

March 21, 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 Q2 SFY24

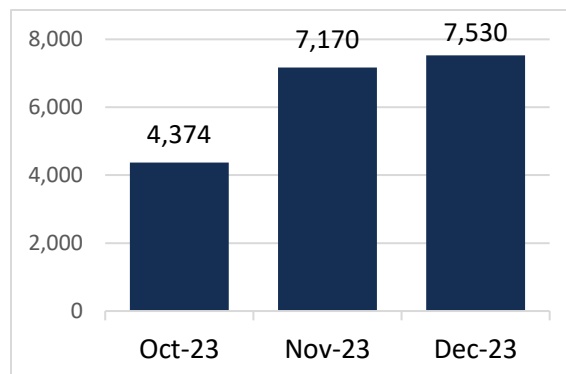
Cover Virginia CPU Base Contract

The CPU received a total of 19,074 applications for processing during the second quarter of SFY24. The majority were received through CommonHelp online (41%; 7,746 applications), State Based Exchange, as of November 1, 2023, (25%; 4,803 applications), telephonic applications (23%; 4,450 applications), or Federal Marketplace (10%; 1,940 applications). Only a small portion were received as paper applications (1%; 135 applications).

Monthly Application Volume

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

Chart 1 – Q2 SFY24 Total New Application Volume



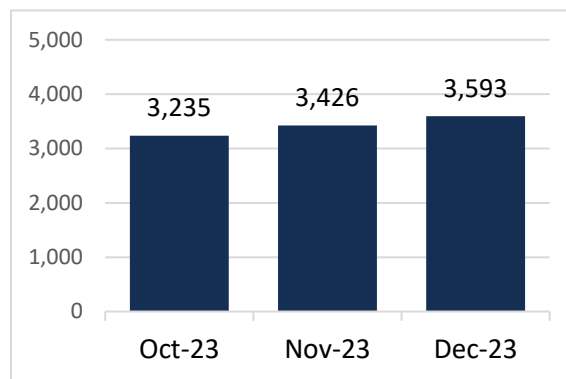
Approvals/Denials

In the second quarter of SFY24, 6,583 applications (35%) were approved and 5,006 (26%) were denied. 4,930 of the remaining applications (26%) were transferred to the appropriate local department of social services (LDSS) agency, and 2,555 (13%) are in a pending status as of the report date. 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. Second quarter of SFY24 processing volumes are shown in the chart below:

Chart 2 – Q2 SFY24 Total Renewal Application Volume



Source: Cover Virginia Monthly Reports

Monthly Application Volume

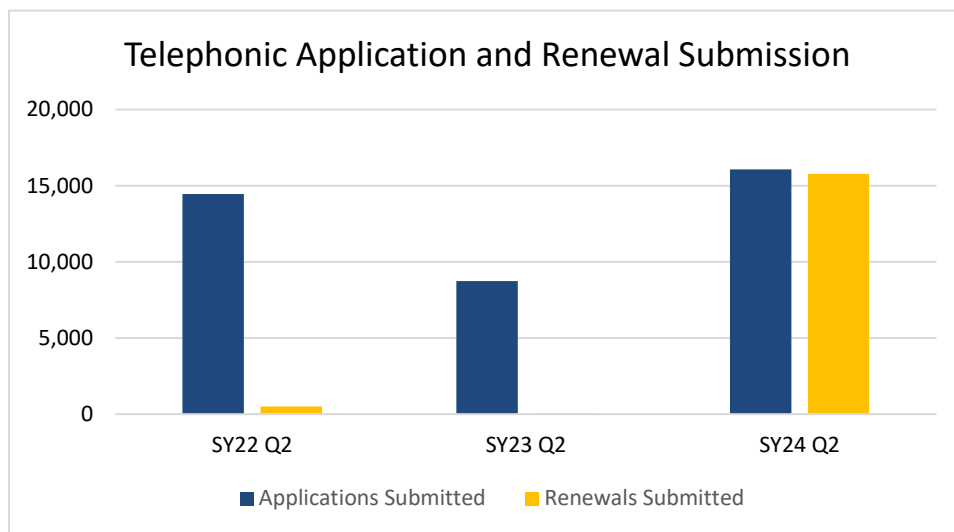
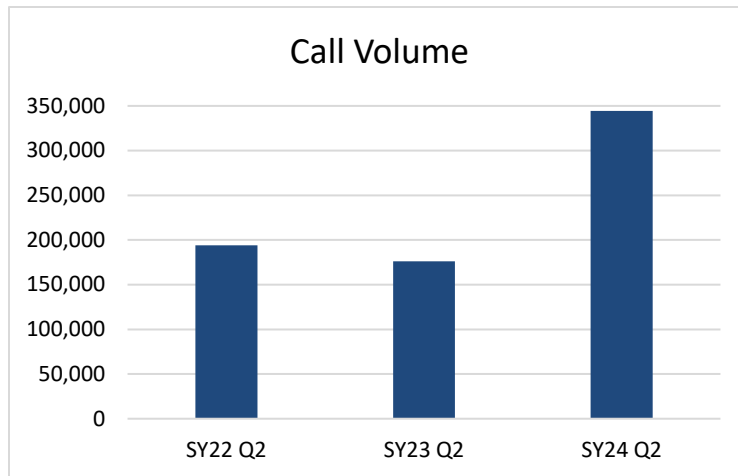
The CPU received a total of 10,254 renewal applications for processing during the second quarter of SFY24. They were received through telephonic applications (85.6%; 8,784 applications), CommonHelp online (12.5%; 1,278 applications), the State Based Exchange (1.5%; 152 applications), and the Federal Marketplace (0.4%; 40 applications).

Approvals/Denials

In the second quarter of SFY24, 6,221 renewal applications (61%) were approved and 450 (4%) were denied. 2,993 of the remaining renewal applications (29%) were transferred to the appropriate local department of social services (LDSS) agency, and 590 (6%) are in a pending status as of the writing of this report.

Cover Virginia Call Center

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



Cover Virginia Call Center – Base Contract

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

- Cover Virginia received 344,237 calls, with 32% of calls self-servicing through the interactive voice response (IVR) system. The IVR fields all call types, including renewal calls.
- The average number of calls offered to CSRs were 60,941 per month.
- There were 182,823 calls routed to a call center representative, a 3% increase from the previous quarter.
- Customer service representatives spoke directly with approximately 98% of callers and the remaining 2% disconnected.

Cover Virginia Call Center - Renewals

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 because of ending the Public Health Emergency (PHE). Data for the Renewal Call Center activity for the second quarter of SFY24 is reported below:

- There were 51,322 renewal calls routed to a call center representative, a 15% increase from the previous quarter.
- The average number of renewal calls routed to CSRs were 17,107 per month.
- Customer service representatives spoke directly with approximately 99% of callers, with only 1% disconnecting.

Processing of Special Populations

Cover Virginia Incarcerated Unit (CVIU)

During the reporting period, 3,736 calls were received by the CVIU from correctional facilities. Out of the 1,687 applications and renewals received for incarcerated individuals, the majority were approved (1,432) for Medicaid benefits. There were 120 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-Oct	1,330	424	368	40	12	4
23-Nov	1,282	504	432	38	26	8
23-Dec	1,124	553	443	41	22	47
Q2 SFY24 Total	3,736	1,481	1,243	119	60	59

	Total Renewal Applications Received	Approved	Denied	Sent to LDSS	Pending
23-Oct	78	74	0	4	0
23-Nov	81	74	0	5	2
23-Dec	47	41	1	1	4
Q2 SFY24 Total	206	189	1	10	6

CVIU application volumes increased 53% in the 2nd quarter. The CVIU moved active incarcerated coverage to full- benefit Medicaid within 24 hours of release for 1,239 individuals. The following chart represents the breakdown by month of pre-release actions for this reporting period:

Daily Release	Oct 2023	Nov 2023	Dec 2023
Total	416	381	442

Since the implementation of the CVIU in November 2018, 46,749 applications have been received and processed. As of the end of December 2023, 17,038 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 Q2 SFY24, the CPU processed 123 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.

Special Initiatives

Modification #6 was finalized during Q2 SFY24. This Modification was done at no cost to the Commonwealth and included the following:

- Reduction to the volumes associated with Modifications #3 and #5, resulting in cost savings for the Commonwealth.
- Removal of services associated with the e213 webform hosting and reporting. This is a result of DMAS taking these services in-house. This also resulted in cost savings.

Maximus also handled the following no-cost initiatives during Q2 SFY24:

- Long-Term Care Outbound Calling Project – This project continued in Q2 for 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 1,196 calls, resulting in 178 renewals being submitted.
- Vision Impaired Outbound Calling Project – This project began in Q2, making outbound calls to those visually impaired recipients at risk of losing their Medicaid due to not submitting a renewal application. During Q2, Maximus made 540 calls, resulting in 137 renewals being submitted.
- Maximus Mailroom handling of returned paper and emailed renewal packets continued in Q2. This resulted in the mailroom receiving 8,345 returned packets for the Mailroom to key into VaCMS for processing. They also received 9,283 packets which were returned as undeliverable. All undeliverable mail required research to obtain the correct address and remail based on established return-mail procedures.

Contractual Budget

Operational costs of \$8,087,969 were incurred in the second quarter of SFY 2024 ended December 31, 2023.

Invoice Category	Amount Paid
CPU Applications Received	\$ 2,430,517
CVCC Calls Offered / Received	4,855,657
CVIU Applications Received	457,129
CVIU Calls Offered / Received	344,667
Total	8,087,970

Medicaid costs are reimbursed at either the 75% enhanced federal financial participation (FFP) match rate or the 50% regular FFP match rate. The enhanced 75% FFP is available for qualifying eligibility and enrollment operational activities such as determining eligibility and issuing notices.

Summary

During the second quarter of SFY 2024, Cover Virginia continued to process Renewal applications under Contract Modification #3 and successfully navigated through the first 45-days of the 2024 Open Enrollment under the new State Based Exchange. December 2023 marked the last month in which Renewal packets would be mailed to Medicaid Members with the Cover Virginia return address and the Department began offboarding contract staff hired to assist with Unwinding efforts. The Department continues to monitor contractor performance against contractual deliverables and has addressed concerns through daily and weekly meetings and written correspondence as appropriate.