



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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October 31, 2024

MEMORANDUM

TO: The Honorable Luke E. Torian,
Chair, House Appropriations Committee

The Honorable L. Louise Lucas
Chair, Senate Finance Committee

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

SUBJECT: Quarterly Report to Ensure Oversight of Managed Care Reprocurement
Implementation (Q1 SFY25)

This report is submitted in compliance with Item 288.T.5. of the 2024 Appropriations Act, which states:

The department shall provide regular updates on implementation of the new managed care contracts on a quarterly basis to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

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 Janet V. Kelly, Secretary of Health and Human Resources

Report on the Implementation of Medicaid Managed Care Contracts Associated with the Reprocurement for Cardinal Care Managed Care (CCMC) Program Awarded Under RFP 13330

October 2024

Report Mandate:

Item 288(T)(5). of Chapter 2 of the 2024 Appropriation Act states: The department shall provide regular updates on implementation of the new managed care contracts on a quarterly basis to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

Report on the Implementation of Medicaid Managed Care Contracts Associated with the Reprocurement CCMC Program Awarded Under RFP 13330

For the reprocurement of the Managed Care program, the Department solicited and conducted a thorough evaluation of the proposals submitted by the bidding entities and selected the five proposals that will best serve the medical care needs of Virginia's most vulnerable populations. The selected proposals include examples of innovations and improvements to enhance the quality of

care and will be incorporated into the new CCMC contract upon award.

An incumbent MCO that was not selected by the Department in the April 1, 2024, Notice of Intent to Award (NOIA) lodged a protest challenging the Department's selection process. After that protest was denied, the protesting offeror filed a lawsuit invoking the Virginia Public Procurement Act (VPPA), Va. Code §§ 2.2-4360 and 2.2-4364. The lawsuit is being heard in Richmond Circuit Court. The Department has challenged that lawsuit and will defend the CCMC procurement and the evaluation and selection process. Due to the ongoing litigation, the new CCMC contracts have not yet been awarded.

The following table lists the major milestones as it relates to the reprocurement activities through September 30, 2024:

DATE	EVENT
March 2, 2023	DMAS posts the solicitation for the upcoming RFP on the eVA Virginia Business Opportunities (VBO) as a Future Procurement
August 31, 2023	DMAS posts the solicitation, RFP 13330, on the eVA VBO
September 19, 2023	Optional Pre-Proposal conference held
September 20, 2023	Deadline for receipt of Letters of Intent (LOI's) from Offerors
September 22, 2023	Deadline for receipt of questions from Offerors
October 27, 2023	Deadline for receipt of proposals from Offerors
December 18, 2023	Negotiations with selected Offerors begin
February 28, 2024	Notice of Intent to Award (NOIA) posted to eVA VBO
March 19, 2024	DMAS rescinds NOIA originally posted on 2/28/24
April 1, 2024	Second NOIA for RFP 13330 posted
Current	Ongoing civil litigation matter (Molina Healthcare of Virginia vs Department of Medical Assistance Services City of Richmond Circuit Court Case No. CL-24-001889- 00).

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 approximately two 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.