



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

REPORT OF THE HEALTH BENEFIT EXCHANGE DIVISION

**TO SELECT COMMITTEES OF THE GENERAL ASSEMBLY OF
VIRGINIA**

November 1, 2024

COMMONWEALTH OF VIRGINIA

RICHMOND

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Report of the Virginia Health Benefit Exchange for

The State Corporation Commission

Pursuant to §38.2-6516 of the Code of Virginia

November 1, 2024

Introduction

Chapter 65 of Title 38.2 of the Code of Virginia establishes the Virginia Health Benefit Exchange Division (the Exchange) within the State Corporation Commission (the Commission). The Exchange is responsible for the administration of Virginia’s Insurance Marketplace. The purpose of the Marketplace is to facilitate the sale and purchase of qualified health plans and standalone qualified dental plans, to support the continuity of health coverage, and to reduce the number of uninsured Virginians.

During Virginia’s first open enrollment since transitioning from Healthcare.gov, over 400,000 Virginians signed up for health care coverage. The 2024 open enrollment for Virginia’s Insurance Marketplace occurred from November 1, 2023 to January 16, 2024. During this period, the number of health insurance enrollments in Virginia increased by nearly 14 percent from the previous year and marked a major milestone for the Exchange and its mission to offer health insurance coverage that meets the needs of Virginia residents.

As required by §38.2-6516, the Exchange, in collaboration with the Secretary of Health and Human Resources, submits this report annually to the Chairs of the Senate Committees on Commerce and Labor and Finance and Appropriations and the House Committees on Labor and Commerce and Appropriations. It addresses:

1. Exchange operations and responsibilities;
2. An accounting of the Exchange’s finances;
3. The effectiveness of the outreach and implementation activities of the Exchange in reducing the number of individuals without health insurance coverage; and
4. Other relevant information.

Exchange Operations and Responsibilities

Administrative Structure

The Exchange Division is led by Director Keven Patchett (the Division Director), who reports directly to the State Corporation Commission Commissioners. The Division employs 39 full-time employees and 8 part-time employees and contractors.

Advice and Consultation

Advisory Committee

Established on October 1, 2020, the Exchange Advisory Committee provides guidance and recommendations to the Commission and Division Director in carrying out the purposes and duties of the Exchange. The Advisory Committee consists of 15 members appointed by the Governor and the Commission as set forth in [§38.2-6503](#) of the Code.

During this past year, Sabrina Corlette of Georgetown University served as Committee Chairwoman and Ikeita Cantu Hinojosa of ICH Services LLC served as Committee Vice Chairwoman. Agendas, presentations, and transcripts of the quarterly Advisory Committee meeting proceedings are available at <https://www.marketplace.virginia.gov/virginia-health-benefit-exchange>.

Stakeholder Engagement

The Exchange continues to facilitate a strong relationship with stakeholders to ensure success in identifying and connecting to priority populations. After the completion of the first open enrollment period, agent focus group meetings were held in each region of the state to solicit feedback for future improvements. In response to the feedback received, the Exchange has already made several communication process enhancements, with more planned over the coming year.

The Exchange collaborated with other state agencies, community organizations, and local associations that serve consumers who would benefit from information about available health insurance coverage. It also provided key stakeholders—including local health departments, Community Services Boards, local clinics, and community health centers—with updates on the Marketplace and the impact of the Medicaid unwinding period.

Consumer Assistance

The Exchange delivers direct consumer assistance through three channels: a comprehensive call center, a dedicated internal escalation team, and community-based assister organizations.

Call Center

The Exchange oversees a call center that provides customer service through phone, chat, and email, operating during regular business hours with extended hours in the evenings and weekends during open enrollment periods. In the 2024 open enrollment period, the call center maintained average wait times well below one minute and achieved a 95% customer satisfaction score.

Escalation Team

The Exchange's internal escalation team offers specialized support to consumers, agents, and assisters when issues exceed the scope of the call center's services. Over the past year, this team has successfully resolved all cases with a 100% satisfaction score, ensuring timely and effective problem resolution.

Assisters

Assisters work directly with consumers, offering free, impartial support in person, online, or by phone across the Commonwealth. These assisters are a vital component of the consumer assistance program, and include Navigators, Certified Application Counselor Designated Organizations (CDOs), and Certified Application Counselors (CACs). Assisters receive annual, Virginia-specific training to help consumers seeking health insurance through the Exchange.

CDOs and CACs

Effective January 1, 2021, the Commission adopted "[Rules Governing the Certified Application Counselor Program](#)" outlined in 14 VAC 7-10-10 through 14 VAC 7-10-80. These rules establish a process and criteria for the designation of CDOs, the certification of CACs, and the duties and obligations of both. CDOs seeking to operate in Virginia must register with the Exchange and obtain official designation. CACs are individual staff members or volunteers who are certified by a CDO and trained to help consumers review health coverage options through the Exchange and Virginia's Medicaid program. Their responsibilities include guiding consumers through eligibility determinations and the enrollment process. All services offered by CACs are offered to consumers free of charge.

Navigator Grant Program

The Exchange manages a navigator program designed to assist Virginians in navigating, shopping for, and enrolling in health insurance coverage through the Exchange. In June 2024, the Commission issued a Request for Applications for interested entities or individuals qualified under state and federal law to provide navigator program services for plan year 2025. On August 29, 2024, the Commission awarded grants totaling approximately \$3.3 million to the Virginia Poverty Law Center, BoatPeople SOS, Inc., and Health Betterment Initiative.

Certification and Training

In August 2023, the Exchange implemented a new learning management system as part of its agent certification process. The training is customized for agents, navigators, and assisters operating within Virginia. The learning management system provides access to courses and resources designed to equip them with the skills needed to assist consumers in shopping for and enrolling in health plans through Virginia's Insurance Marketplace. To support the continuity of coverage, training is also provided on topics such as Medicaid, FAMIS, SHOP, and Medicare. In August 2024, the Exchange released its first annual renewal training programs for recertification for plan year 2025. To ensure automatic recertification on November 1, 2024, agents, navigators and assisters had until October 31 to complete the required training.

Consumer Outreach and Education

The Exchange collaborates with a Virginia-based marketing and advertising firm to execute a comprehensive outreach and education program. This initiative aims to highlight the importance of health insurance coverage, inform Virginia consumers about Virginia's Insurance Marketplace, and educate them about available financial assistance programs.

In 2024, the Exchange implemented a four-phase consumer outreach and education program:

Phase 1: Continuous Coverage Unwinding Campaign

This ongoing phase targets consumers impacted by Medicaid's continuous coverage unwinding, promoting coverage opportunities for eligible Virginians through the Marketplace.

Phase 2: Special Enrollment Campaign

This phase focuses on educating consumers about qualifying life events that might make them eligible for a special enrollment period, allowing them to purchase a health plan outside of the standard open enrollment period.

Phase 3: Brand Awareness Campaign

Designed to enhance visibility, this phase seeks to raise awareness of Virginia’s Insurance Marketplace in every community throughout the state and provide information on the upcoming open enrollment period.

Phase 4: Open Enrollment Campaign

The final phase educates Virginians about their health insurance options and underscores the importance of maintaining health coverage, motivating eligible Virginians to enroll and maintain coverage through Virginia’s Insurance Marketplace

CMS Reporting

SMART Report

The Exchange successfully completed a federally mandated audit of its operations, known as the SMART Report. This audit assesses compliance with federal program integrity standards and various operational and fiscal requirements. The Centers for Medicare & Medicaid Services (CMS) acknowledged the successful completion of its review, affirming the Exchange’s compliance.

Open Enrollment Readiness

On September 23, 2024, CMS issued the Exchange a letter confirming the successful completion of the 2025 Open Enrollment Readiness Review (OERR). The OERR evaluates the status of Exchange system functions and business processes, including consumer assistance, eligibility and enrollment, and plan management, as applicable, to ensure readiness for the 2025 open enrollment period, which runs from November 1, 2024 to January 15, 2025. In addition to confirming operational preparedness, CMS utilizes the annual reviews to gather information necessary for coordinating activities during open enrollment. No outstanding issues or areas of non-compliance were identified during this review.

Exchange Finances

The Exchange is authorized through Chapter 65 of Title 38.2 of the Virginia Code to fund operations through special revenues generated by assessment fees. Exchange funds are used solely for its operations and the support necessary for fulfillment of its purpose, duties, and objectives. Assessment fees are based on the premiums charged by carriers offering health and dental plans on the Exchange. The state budget authorized \$39.3 million and \$51.4 million of non-general funds to support Exchange functions for fiscal years 2024 and 2025, respectively.

Results of Operations

For fiscal year (FY) 2024, the Exchange generated approximately \$33.3 million in revenue, a significant increase from \$9.7 million in FY 2023. These revenues were collected through assessment fees levied on health carriers offering plans through the Exchange in accordance with [§ 38.2- 6510](#) of the Code of Virginia. An [Assessment Order](#), issued on June 30, 2023, notified carriers of the Exchange assessment fee for plan years 2024 and 2025.

Total expenses for FY 2024 amounted to approximately \$37.5 million, up from \$12.0 million in FY 2023. The expenses are as follows:

Platform Development and Maintenance	\$ 23,963,798.13
Outreach, Education, and Marketing	\$ 4,135,528.16
Salaries and Benefits	\$ 3,242,380.39
Navigator Grants	\$ 2,755,287.87
Consultants and Professional Services	\$ 2,636,238.37
Building Rentals and Office Related Expenses	\$ 705,305.27
Other	\$ 69,302.80

The Exchange [Financial Report](#), including financial statements and the independent auditor's report, are available for the fiscal year ending June 30, 2024.

Working Capital Advance

The 2020 Virginia budget authorized the Secretary of Finance to approve a working capital advance of up to \$40 million over ten years to fund Exchange start-up and implementation costs, of which \$6 million was approved on June 5, 2020, and drawn down by the Commission on July 1, 2020. A second draw down request for \$14 million was approved on July 14, 2023 and processed on July 26, 2023. The Exchange does not currently anticipate a need for further drawdowns.

Effectiveness of Outreach and Implementation Activities

The Exchange's outreach efforts led to a significant increase in consumer participation and enrollment for plan year 2024 (PY 2024). Total enrollment for PY 2024 was 400,058, reflecting a nearly 14% increase from the previous year. Most notably, 57,029 of these enrollees were new to the Marketplace, meaning they had not held coverage through the Marketplace in the preceding plan year.

Additionally, over 175,000 consumers received application support from certified agents or assisters, and 393,663 consumers qualified for financial assistance.

The total number of applications submitted during the PY 2024 open enrollment period was 305,574, representing a total of 471,975 individuals applying for coverage.

More than 90% of Virginians eligible to enroll in a Marketplace plan were also eligible for financial assistance.

The foregoing represents the Exchange's Annual Report for 2024 pursuant to Code §38.2-6516.