



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

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July 31, 2025

### 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 (Q4 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

July 2025

## 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.**

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For the reprocurement of the Medicaid managed care contracts, the Department issued a Request for Proposals (RFP) in August 2023, 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 met all RFP requirements and included examples of innovations and improvements to enhance the quality of care that will be incorporated into the new CCMC contract.

An incumbent MCO that was not selected by the Department in the April 1, 2024, Notice of Intent to Award (NOIA) filed a protest challenging the Department's selection process. After that protest was denied, the protesting offeror filed a lawsuit in the Richmond Circuit Court invoking the Virginia Public Procurement Act (VPPA), Va. Code §§ 2.2-4360 and 2.2-4364. The Department challenged the lawsuit. While

the lawsuit continued, the Department posted the Notice of Award on December 30, 2024, and awarded the new CCMC contracts to Aetna Better Health of Virginia, Anthem HealthKeepers, Humana Healthy Horizons, Sentara Health Plans and UnitedHealthcare Community Plan. Anthem was also awarded the contract for the Foster Care Specialty Plan.

After several months of litigation, the protester ultimately withdrew its lawsuit, which was formally dismissed with prejudice by the Richmond Circuit Court on May 1, 2025.

The new Cardinal Care Managed Care program, including the new Foster Care Specialty Plan, became effective July 1, 2025.

The goals of CCMC are focused to drive member-centric transformation in Virginia's Medicaid system:

1. Access to quality health care in every community;
2. Focus on behavioral health services and outcomes for members;
3. Enhance maternal and child health outcomes;
4. Strengthen provider access, adequacy, and availability;

5. Support members with high risk factors through case management and resources;
6. Provide support to children and youth in foster care with a dedicated plan and services;
7. Improve access to appropriate services and supports for members receiving LTSS;
8. Drive innovation and operational excellence with a focus on value-based payment arrangements;
9. Increase Virginia's financial protections through quality driven withholds and tighter limits on MCO profits; and
10. Expand the use of data analytics, compliance monitoring and oversight for increased accountability.

The following table lists the major milestones as it relates to the reprocurement activities through July 1, 2025.

DATE	EVENT
March 2, 2023	DMAS posts the announcement of the upcoming 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 posted on 2/28/24
April 1, 2024	Second NOIA for RFP 13330 posted
April 26, 2024	Protest lawsuit filed (Molina Healthcare of Virginia v. Department of Medical Assistance Services; City of Richmond Circuit Court; Case No. CL-24-001889- 00).
December 30, 2024	DMAS posted the Notice of Award (NOA) for RFP 13330, Cardinal Care Managed Care (CCMC), on eVA. Along with the NOA posting, DMAS also posted a Public Interest Determination and emailed the awardee MCOs informing them of the posting.
December 31, 2024	Meeting held with awardee MCOs and DMAS to discuss plans for implementing the new CCMC contracts.
March 25, 2025	Held FY26 Cardinal Care Managed Care Draft Capitation Rate Meeting
May 1, 2025	Court granted Molina's request to withdraw and dismiss its protest lawsuit with prejudice.
January – June, 2025	<b>MCO Capitation Rates</b> Completed the development, review and approval of SFY CCMC MCO capitation rates. This includes, but is not limited to: <ul style="list-style-type: none"> <li>DMAS and Mercer development of revised MCO Capitation rates based on updated base data and</li> </ul>

	<p>contractual requirements.</p> <ul style="list-style-type: none"> <li>• Presentation of draft capitation rates to IFRC – 3/13/2025</li> <li>• Presentation of draft capitation rates to MCOs – 3/25/2025</li> <li>• Presentation of final capitation rates to IFRC – 5/15/2025</li> <li>• Presentation of final capitation rates to MCOs – 5/23/2025</li> </ul>
	<p><b>CCMC MCO Contract</b> Completed the development, review and approval of CCMC Contract. This includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Incorporation of General Assembly required activities, rates and programs.</li> <li>• DMAS leadership and MCO review and approval of amended requirements.</li> <li>• As required in the Appropriation Act, review and approval by the Department of Planning and Budget.</li> <li>• Submission of final contract to the Centers for Medicare and Medicaid Services (CMS).</li> </ul>
	<p><b>Systems</b> Completed all systems changes necessary to go live on July 1, 2025.</p> <ul style="list-style-type: none"> <li>• Completed development and coding for systems changes to support CCMC contractual requirements, including meeting all VITA standards including those for artificial intelligence.</li> <li>• Enrollment and onboarding of new MCO. Implemented all required systems connectivity and interfaces.</li> <li>• Completed development and coding of systems changes to support the new Foster Care Specialty Plan.</li> <li>• Conducted extensive user and trading partner testing for all CCMC systems changes, connectivity, and interfaces.</li> </ul>
	<p><b>Communications</b> Completed CCMC outreach campaign for members, providers, legislators, state agencies and other interested stakeholders. Our outreach campaign included, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Recorded and Live CCMC informational sessions with our managed care partners</li> <li>• Multichannel social media outreach and direct mail informational outreach</li> </ul>

	<ul style="list-style-type: none"> <li>• Outreach and Trainings on Anthem's Foster Care Specialty Plan for DSS staff, adoptive parents, former foster care members, and interested stakeholders</li> </ul>
	<p><b>Subcontractor Readiness</b> Completed the review and approval of the MCO's subcontractors, as required.</p>
	<p><b>MCO Readiness</b> Along with DMAS' External Quality Review Organization (EQRO), Health Services Advisory Group (HSAG), completed the Federal and State required MCO readiness review. This includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Completed Desk and Virtual audits of MCO policies, programs and systems.</li> <li>• Provided results of the audits to the MCOs. These include an itemized list of items that needed to be corrected before being allowed to go live.</li> <li>• MCOs corrected all deficiencies and are approved to begin operations on July 1, 2025.</li> </ul>
	<p><b>Foster Care Specialty Plan</b> DMAS continued working with Anthem and DSS representatives to plan and prepare for phased transition of all Foster Care, Adoption Assistance, and Former Foster Care members to Anthem.</p> <ul style="list-style-type: none"> <li>• Weekly meetings to ensure all implementation and transition requirements are being met and members transition as seamlessly as possible.</li> <li>• Completed Foster Care Specialty Plan Technical Manual to include new contractual reporting requirements specific to Anthem's FCSP Contract Addendum.</li> <li>• Finalized internal operations plan for members requesting to Opt-Out of FCSP and provided training materials and scripting to Enrollment Broker and other call centers.</li> <li>• Transitioned all Phase 1 members to Anthem's Foster Care Specialty Plan, on June 18, 2025 with July 1 effective date.</li> </ul>
	<p><b>Closeout of Molina</b> DMAS is working with Molina to cease their operations on July 1, 2025.</p> <ul style="list-style-type: none"> <li>• Worked with the Office of the Attorney General to identify Molina closeout requirements. This included what processes Molina must continue beyond July 1.</li> </ul>

	<ul style="list-style-type: none"> <li>• DMAS and Molina meet weekly to ensure the closeout requirements are being met and members are transitioned to their new MCO as seamlessly as possible. These meetings will continue beyond July 1 as necessary.</li> <li>• Transitioned Molina members to Humana, with the option to select a different health plan, on June 18, 2025.</li> </ul>
July 1, 2025	CCMC Implementation Date

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## 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.