



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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April 7, 2026

MEMORANDUM

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

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee

Michael Maul
Director, Department of Planning and Budget

FROM: Steve Ford
Director, Virginia Department of Medical Assistance Services

SUBJECT: The Cover Virginia Central Processing Unit: A Report to the Virginia General Assembly - Q2 FY26

This report is submitted in compliance with Item 292.N.2. of the 2025 Appropriations Act, which states:

Out of this appropriation, \$3,889,800 the first year and \$3,889,800 the second year from the general fund and \$10,868,700 the first year and \$10,868,700 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 application 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.

SF/wrf

Enclosure

Pc: The Honorable Marvin Figueroa, Secretary of Health and Human Resources

The Cover Virginia Central Processing Unit: A Report to the Virginia General Assembly – Q2 FY26

March 2026

Report Mandate:

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Background

Cover Virginia provides Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrollment information and services.

Cover Virginia includes the statewide call center, which accepts telephonic applications and renewals for Virginia's Medicaid and CHIP programs and provides general information and guidance to callers. The Central Processing Unit (CPU) processes thousands of Medicaid applications and screens all applications received by phone, online, and referred from the State Based Exchange. The Cover Virginia Incarcerated Unit (CVIU) 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.

Users can access the Cover Virginia dashboard on the DMAS website to view costs, total calls, and data on specialized populations, with the option to filter results by state fiscal year. (Access the dashboard at the General Assembly Reports page on the DMAS website <https://dmas.virginia.gov/data-reporting/general-assembly-reports/cover-virginia-dashboard/>).

Table 1, Applications by Source, July 2025 – Jan 2026

See endnotes 1-4

Cover Virginia Central Processing Unit ¹

State Fiscal Year 2026 Monthly

Applications Received by Source



Table 2, Cover Virginia CPU Contractual Costs

See endnotes 3, 5, 6

Contractual Costs

Select Period of Service ¹

Annual Call Center Costs

SFY25	General Funds	\$4,025,662
	Federal Funds	\$17,440,146
	Special Funds	\$2,077,603
	Liquidated Damages	(\$53,051)
	Total Costs	\$24,398,410

Select Period of Service ¹ Select Quarter

Quarterly Cover Virginia Costs ¹

SFY26 Q2	Cover VA Central Processing Unit	\$ 2,222,561
	Cover VA Call Center	\$ 4,696,023
	Cover VA Incarcerated Unit - Eligibility	\$ 365,390
	Cover VA Incarcerated Unit - Call Center	\$ 317,228
	Total Paid	\$ 7,601,203
SFY26 Q1	Cover VA Central Processing Unit	\$ 1,973,706
	Cover VA Call Center	\$ 5,079,118
	Cover VA Incarcerated Unit - Eligibility	\$ 369,101
	Cover VA Incarcerated Unit - Call Center	\$ 340,516
	Total Paid	\$ 7,762,442

Notes

1. The data in this Dashboard is from the official Cover Virginia Monthly Operations Report.
2. Volumes during November, December and January are typically elevated due to the Virginia Marketplace's Open Enrollment period.
3. Virginia's State Fiscal Year is the 12-month budget cycle that runs from July 1 – June 30.
4. The Virginia Marketplace, the Commonwealth's State-Based Exchange (SBE), launched on November 1, 2023. As a result, applications that may have previously been received from the Federally Facilitated Marketplace (FFM) began to originate from the SBE. A small number of FFM applications continue to be received after the transition to the State-Based Exchange.
5. The Quarterly Cover VA Costs table shows charges paid by DMAS for each operational unit. Reporting prior to State Fiscal Year (SFY) 24, Q2, did not capture the operational unit charges but reported charges for the contract as a whole. For months in which unit breakdown was not captured, a dash is shown in the column beside the unit names.
6. During Q1 and Q2 of the State Fiscal Year (SFY) 23, no payments were made as the contract was under corrective action. Total costs paid, as a result of a settlement, are shown in the Quarterly Cover VA Costs table in the third quarter for SFY23.

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.