



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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September 1, 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: Annual Report: Operations and Costs of the Cover Virginia Call Center – FY2026

This report is submitted in compliance with Item 295.T.5 of the 2026 Appropriation Act, which states:

The Department of Medical Assistance Services shall report on the operations and costs of the Cover Virginia Call Center and eligibility unit. This report shall include the number of calls received on a monthly basis, the purpose of the call, the number of applications and renewals for Medicaid submitted through the call center, and the costs of the contract. The report shall also include data related to H.R. 1 implementation. The department shall submit the report by August 15 of each year to the Director, Department of Planning and Budget and 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.

SF/wrf

Enclosure

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

Annual Report: Operations and Costs of the Cover Virginia Call Center - FY2026

September 2026

Report Mandate:

Item 295.T.5. of the 2026 Appropriation Act states:

The Department of Medical Assistance Services shall report on the operations and costs of the Cover Virginia Call Center and eligibility unit. This report shall include the number of calls received on a monthly basis, the purpose of the call, the number of applications and renewals for Medicaid submitted through the call center, and the costs of the contract. The report shall also include data related to H.R. 1 implementation. The department shall submit the report by August 15 of each year to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

Background

The Cover Virginia Call Center (CVCC) began operations in October 2013 to fulfill a requirement of the Patient Protection and Affordable Care Act (PPACA).

The call center offers a toll-free number for individuals to inquire about the Medicaid programs, file a telephonic application, obtain application and case status updates, and complete annual renewals.

There are interpretation and translation services available, as well as Spanish-speaking representatives to assist callers who designate that they speak Spanish only. The call center also helps with Medicaid/FAMIS

replacement cards, 1095B (IRS proof of insurance) inquiries, referrals to managed care health plans, and other customer services for residents of the Commonwealth.

H.R. 1 Implementation Update

Work has begun to modify the Cover Virginia contract to support H.R. 1 requirements. These modifications were not yet executed under the contract for FY2026, the period covered by this year's report. Operational statistics will be incorporated into the FY27 annual report.

As of the date of this report, modification to the contract has been partially executed and is pending Centers for Medicare and Medicaid Services (CMS) review. As part of this modification, Cover Virginia will stand up multiple units to support HR.1 initiatives. These units include a renewal processing unit for MAGI (Modified Adjusted Gross Income), Medicaid-only redeterminations, a unit to review and provide outreach to individuals identified as dually enrolled in Virginia and other states, and a Work Requirement unit to handle inquiries, escalations and verifications specific to the new federal work requirements. Additionally, preparations are underway for improvements to the Call Center Interactive Voice Response (IVR) menu structure to assist with increasing self-service in the IVR. Contractual base volume adjustments will account for expected increases associated with H.R. 1 for the call center, centralized mailroom, and Cover VA Incarcerated Unit (CVIU), which handles applications and inquiries for incarcerated persons.

Cover Virginia Operations

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/>.

Call Volume and Response Data

The information in the figures below is compiled from the dashboard. The “Total Calls” bar graph in Figure 1 shows the total number of calls, by response outcome, received at Cover Virginia each month of FY26. Interactive Voice Response (IVR) served calls are those that were handled within the IVR and not offered to a Customer Service Representative. “Calls Answered” are calls handled by an agent and “Calls Abandoned” are calls offered to an agent but the caller disconnected prior to the agent answering. While abandoned calls increased in percentage in the second half of the fiscal year, the abandon rate remained within contractually defined service levels of less than 5% for 10 of the 12 months reported. The overall average for abandon rate was 2%.

The line graph in Figure 1 labeled “Telephonic Applications and Renewals” shows the number of telephonic applications (in blue) and telephonic renewals (in yellow) submitted through the Cover Virginia Call Center. In SFY26, the Cover Virginia Call Center submitted 108,154 new telephonic applications, which is a 5% decrease when compared to SFY25. The Call Center submitted 85,231 telephonic renewals in SFY26, up 6% from SFY25. The Call Center submitted, on average, 9,013 new applications and 7,103 renewals per month.

The “Top Annual Call Reasons” table provides the number of calls for the 10 highest-volume call types received at the Cover Virginia Call Center in SFY26. Following prior trends, general service calls for existing members (questions regarding status, renewal dates, connecting to social worker, etc.), make up the majority of calls received. Post unwinding, the Call Center continues to see a high level of new application, application status inquiry, and renewal application calls. Overall, the 10 call types in the chart represent 81% of the calls received at the Call Center in the fiscal year.

Call Center Costs

Figure 2 summarizes annual call center costs. These include the General Fund, Federal Fund, and Special Fund amounts, as well as liquidated damages assessed to the vendor for contractual deficiencies. Call Center funding for SFY26 totaled \$23,061,918 with the contractor paying \$46,828 in liquidated damages due to missed contractual service-level agreements. Costs for this contract decreased 6% year over year. This is attributed to call volumes decreasing after the end of unwinding, resulting in less overages being paid. Liquidated damages assessed by the contractor decreased by 12% compared to SFY25.

Figure 1: Number of Calls Received on a Monthly Basis, the Purpose of Such Calls, and the Number of Applications and Renewals Received (see endnote)

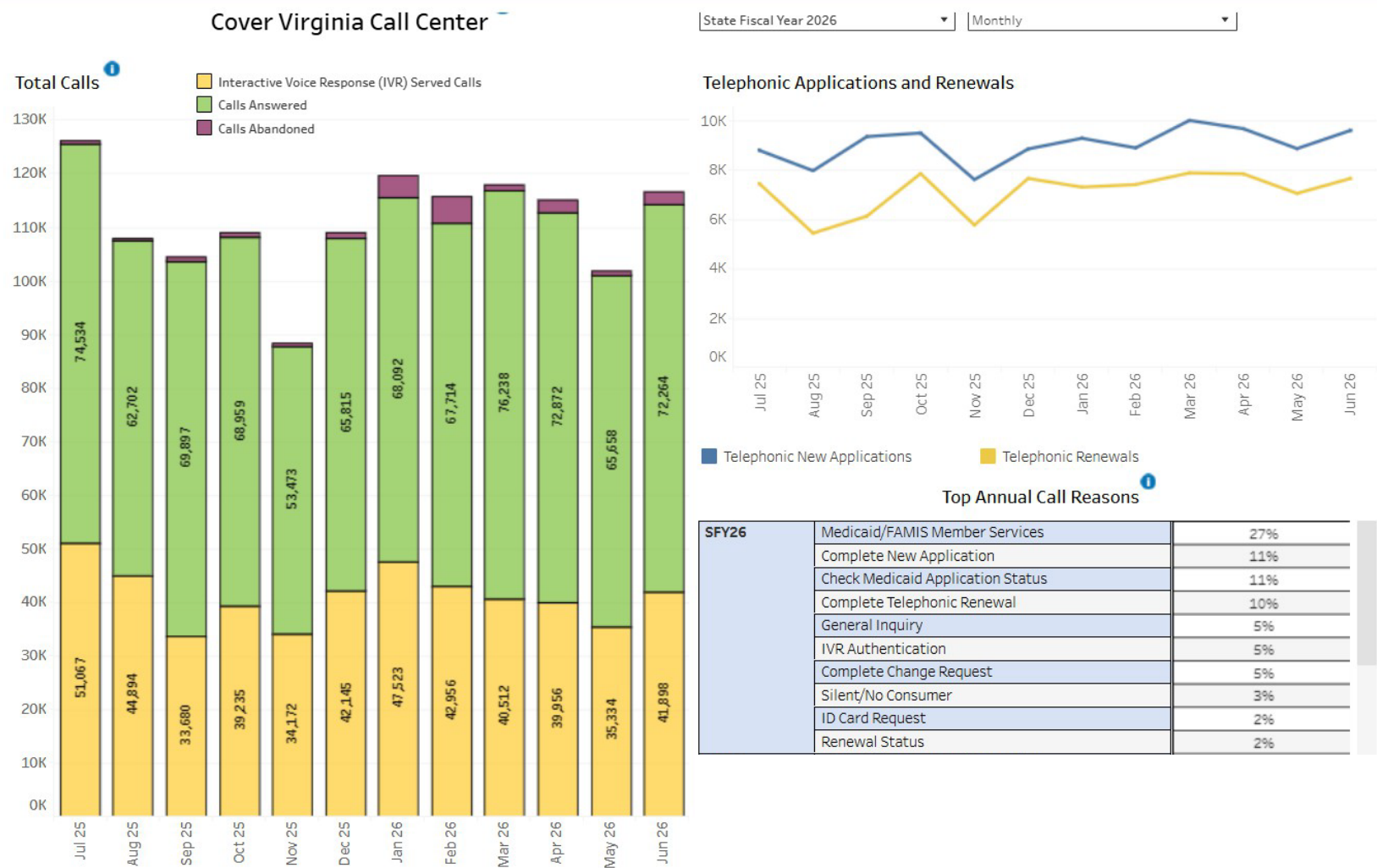


Figure 2: The Cost of the Cover Virginia Call Center Contract, SFY26

Contractual Costs

Select Period of Service ¹
 State Fiscal Year 2026 ▼

Annual Call Center Costs

SFY26	General Funds	\$4,494,389
	Federal Funds	\$16,398,341
	Special Funds	\$1,259,108
	Liquidated Damages	(\$46,828)
	Admin	\$956,908
	Total Costs	\$23,061,918

Select Period of Service ¹ Select Quarter
 State Fiscal Year 2026 ▼ (All) ▼

Quarterly Cover Virginia Costs ¹

SFY26 Q4	Cover VA Central Processing Unit	\$ 1,929,259
	Cover VA Call Center	\$ 7,716,177
	Cover VA Incarcerated Unit - Eligibility	\$ 1,233,728
	Cover VA Incarcerated Unit - Call Center	\$ 292,731
	Total Paid	\$ 11,171,895
SFY26 Q3	Cover VA Central Processing Unit	\$ 1,962,211
	Cover VA Call Center	\$ 5,570,600
	Cover VA Incarcerated Unit - Eligibility	\$ 366,711
	Cover VA Incarcerated Unit - Call Center	\$ 337,191
	Total Paid	\$ 8,236,713
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

Endnote

1. The Top Annual Call Reasons table shown in Figure 1 does not refresh based on dashboard filter selections shown at the top of the tab on the DMAS website. The table shows the top 10 call reasons for the entire fiscal year and is not reported as monthly or quarterly. The new fiscal year top 10 call reasons are added each year during the first quarter of the new fiscal year. This chart only provides the top ten reasons and percentage of all calls for each of those reasons; they will not total 100%.

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 1.7 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.