DMAS UPDATE FOR HHR OVERSIGHT COMMITTEE

JENNIFER LEE, MD

DIRECTOR,
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Agenda

- **Medicaid Expansion Overview**
- Implementation Status Updates
  - Policy and Authorities
  - Section 1115 Waiver
  - Delivery System
  - Eligibility and Enrollment
  - Provider Assessments
  - Outreach and Communications
  - Reporting and Evaluation
- Next Steps

Current DMAS Initiatives

- Medallion 4.0
- Commonwealth Coordinated Care Plus (CCC Plus)
- Medicaid Enterprise System (MES)
- New Adult Coverage

Who Medicaid Serves Now

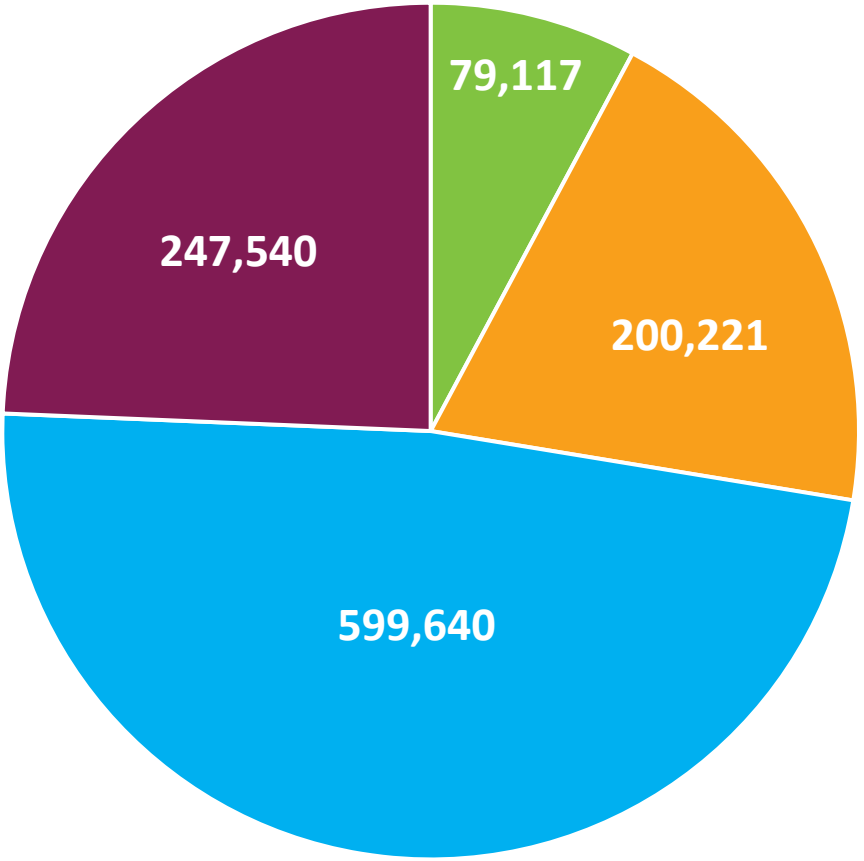
Populations Covered in Virginia - SFY 2017

Children in Low Income Families

Parents, Caregivers, and Pregnant Women

Individuals with Disabilities

Older Adults



Who Qualifies for Virginia Medicaid Now?

Not all low-income Virginians are eligible

Children 0-18
(family of 3)

205% FPL ($42,599)

Pregnant Women
(family of 3)

205% FPL ($42,599)

Person With
Disability

80% FPL ($9,712)

Parents
(Family of 3)

33% FPL ($6,924)

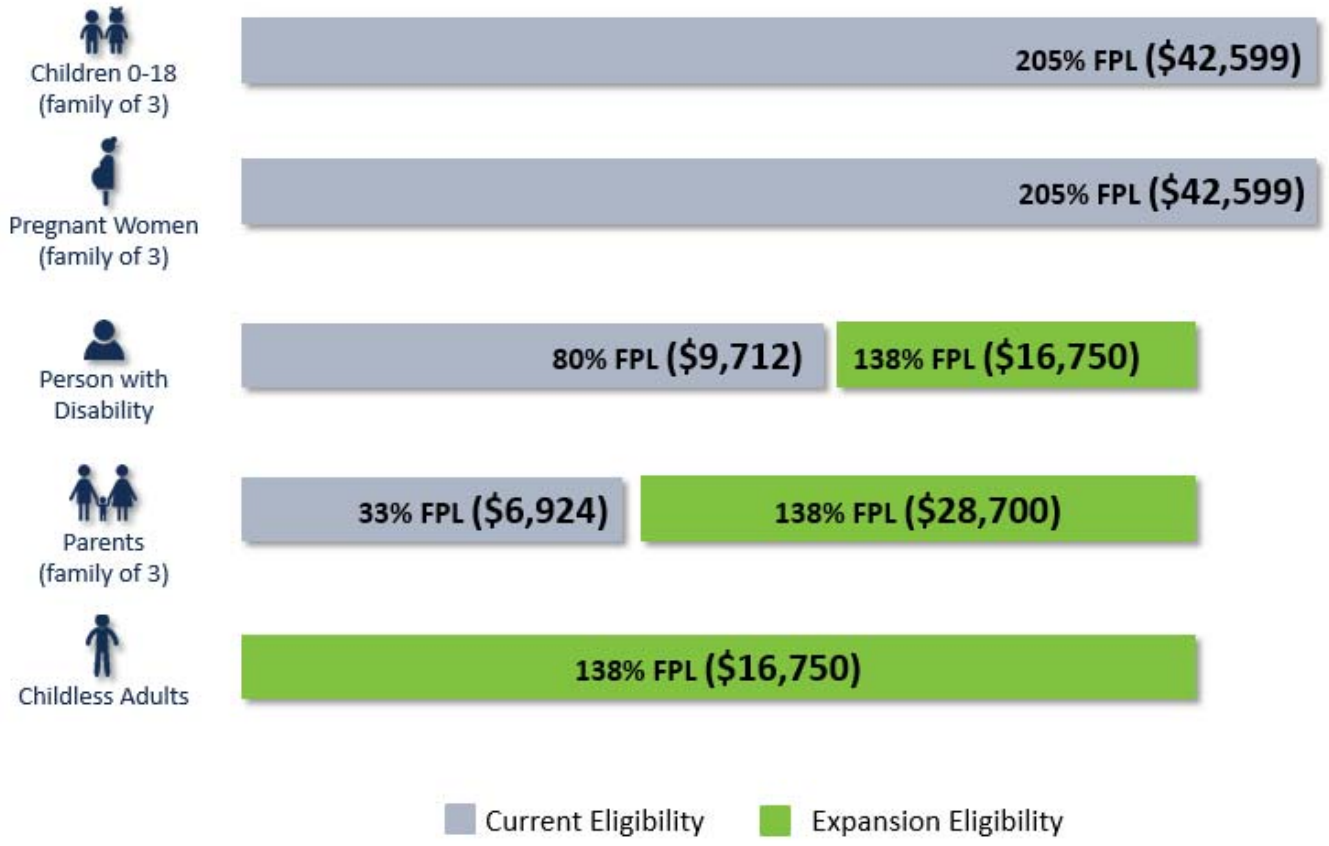
Childless Adults

Not Eligible

Who Qualifies for Virginia Medicaid Under Expansion?

Medicaid expansion will provide quality, low-cost coverage to ~ 400,000 Virginians

- Adults ages 19 – 64, not Medicare eligible
- Income from 0% to 138% Federal Poverty Level



**Percent income may vary by locality*

Overview of New Health Coverage for Adults

- Beginning January 1, 2019
- Approximately 400,000 more Virginia adults will enroll in quality, low-cost health coverage
- People working in retail, construction, childcare, landscaping, food service or other jobs that do not offer health insurance may be eligible

Who Are Virginia's Uninsured?

Recent focus groups with uninsured adults in Virginia who have incomes below 138% FPL offered key findings:

- Cost has been the main barrier to coverage as well as working in jobs or for employers that do not offer coverage
- Most have been putting off getting health care services, paying out of pocket at a clinic when sick, or going to ERs when they become seriously ill
- The new adult population has a strong interest in enrolling in Medicaid and almost all say they will apply
- Most are unaware that Virginia will expand Medicaid
- Many fear "rejection" if they apply, as they have been unsuccessful in the past

Overview of Medicaid Expansion Requirements

The 2018 Appropriations Act directs DMAS to implement new coverage for adults and transform coverage

State Plan Amendments, contracts, or other policy changes

Implement new coverage for adults with incomes up to 138% FPL and implement early reforms for newly eligible individuals

§ 1115 Demonstration Waiver

Implement required reforms that transform the Medicaid program for certain individuals

DMAS is working in parallel to begin the process of applying for a § 1115 waiver while submitting the State Plan Amendments to CMS

Early Medicaid Reforms

Empower individuals to improve their health and well-being and gain employer-sponsored or other commercial coverage, while ensuring fiscal sustainability

Health and Wellness Accounts

- Health and Wellness Accounts
- Healthy Behavior Incentives

Work Referrals

- Referrals to job training, education, and job placement assistance for all unemployed, able-bodied adults

Appropriate Utilization of Services

- Appropriate Utilization of ED Services
- Enhanced Fraud Prevention Efforts

Future Medicaid Reforms (Under § 1115 Waiver)

Required Medicaid reforms for populations earning 100-138% FPL will promote healthy behaviors and foster personal responsibility

Healthy Behavior Incentives

- Health and Wellness Accounts comprised of participant contributions and state funds to be used to fund premiums, cover out-of-pocket expenses for the deductible, and the ability to roll over funds into succeeding years if not fully used
- Cost-sharing to promote healthy behaviors (e.g. avoidance of tobacco use)
- Cost-sharing reductions for compliance with healthy behaviors

Personal Responsibility

- Monthly premiums, copayments, and deductibles
- Cost-sharing to encourage accountability for service utilization (e.g. appropriate ED use)
- Waiting period prior to re-enrollment if premium not paid

Future Medicaid Reforms (Under § 1115 Waiver)

The Training, Enrollment, Education, Employment and Opportunity Program (TEEOP) will increase the health and well-being of able-bodied adults through community engagement

Gradually Increasing Participation

- Participation in community engagement activities increases gradually to at least 80 hours per month

Community Engagement Activities

- Employment
- Job Skills Training
- Education
- Volunteering
- Job Search Activities
- Caregiving

Certain Populations Are Exempt

- Medically Complex
- Children < Age 18
- Individuals > Age 65
- Primary Caregivers with a Dependent Child < Age 18
- Others

Future Medicaid Reforms (Under § 1115 Waiver)

The Supportive Employment and Housing Benefit will help high-risk Medicaid beneficiaries obtain and maintain employment and stable housing

High-Risk Medicaid Beneficiaries

Targeting high-risk beneficiaries:

- With mental illness, substance use disorder, or other complex, chronic conditions
- Who need intensive, ongoing support to obtain and maintain employment and stable housing

Supportive Employment Services

**Possible* services could include:

- Vocational/job-related discovery or assessment;
- Person-centered employment planning;
- Job placement or development;
- Other services

Supportive Housing Services

**Possible* services could include:

- Screening and housing assessment;
- Developing an individual housing support plan;
- Other services

*Services listed are examples of Medicaid-covered services; the Supportive Employment and Housing Benefit is under development

Funding Medicaid Coverage Under Expansion

FEDERAL MATCH RATE	STATE COSTS : FEDERAL COSTS
Traditional Groups **50%** FEDERAL MATCH RATE	
New Adult Group **90%** FEDERAL MATCH RATE **(2020 and beyond)**	

Provider Assessments: Overview

Coverage Assessment

- Same as included in Governor's Introduced Budget
- Covers the full cost of expansion
- Expected to be approximately 0.5% in FY19 and 1.4% in FY20

Payment Rate Assessment

- New assessment in Adopted Budget
- Covers the state cost of increasing hospital reimbursement rates to approximately average cost

Two assessments have many of the same features

- Assessed on most private acute hospitals – excluded hospitals include public, freestanding psychiatric, rehabilitation, children's, long-stay, long-term acute, and critical access
- DMAS responsible for assessing and calculating assessment
- Assessments to be a percentage of net patient revenue
- Total of the two assessments cannot exceed 6% of net patient revenue (Federal requirement)
- CMS must approve that assessments are sufficiently "broad-based"

Medicaid Expansion Savings

FY19-FY20 total GF savings estimated at $355.0M

	FY 2019 GF Costs/(Savings)	FY 2020 GF Costs/(Savings)
DMAS Savings (including indigent care, GAP, TDOs, etc…) Newly covered populations receive an enhanced federal matching rate	($72.1M)	($214.6M)
Corrections Savings Federal reimbursement available for inpatient hospital services delivered to incarcerated individuals	($10.8M)	($26.9M)
CSBs Savings Federal reimbursement available for substance abuse and mental health services	($10.4M)	($25.0M)
Total GF Savings	*($91.9M)	*($263.1M)

Total GF Savings FY19 –FY20 ($355.0M)

** Note: DSS costs were subtracted from FY19 and FY20 savings to determine total GF Savings for FY19 and FY20*

Agenda (Continued)

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- ❑ **Implementation Status Updates**
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  - ❑ Section 1115 Waiver
  - ❑ Delivery System
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  - ❑ Reporting and Evaluation
- ❑ Next Steps

Implementation Status Update: Policy and Authorities

DMAS is working to ensure all State Plan Amendments and waivers are submitted to CMS in a timely fashion to seek proper authority for the Medicaid expansion

State Plan Amendments (SPAs) Submitted to CMS

- ✓ Adult Expansion Eligibility SPA
- ✓ Federal Medical Assistance Percentage (FMAP) SPA
- ✓ Health Insurance Premium Payment (HIPP) SPA
- ✓ Alternative Benefit Plan (ABP) SPA
- ✓ Hospital Presumptive Eligibility SPA
- ✓ SNAP SPA and 1902(e)(14) letter

Implementation Status Update: Policy and Authorities

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SPAs to Be Submitted to CMS

- ❑ Determination SPA
- ❑ Changes to Medicaid Application SPA
- ❑ Health Insurance Premium Payment (HIPP) Phase 2 SPA
- ❑ FFS Supplemental Payment SPA

Waivers to Be Submitted to CMS

- ❑ 1915(b) and 1915(c) waiver amendments
- ❑ 1115 waiver amendment (GAP)
- ❑ 1115 waiver (TEEOP and other reforms)

Implementation Status Update: Section 1115 Waiver

DMAS has begun work on the Section 1115 Demonstration Waiver to seek authority from CMS for the TEEOP program and other reforms, as outlined in the 2018 Appropriations Act.

- DMAS moving forward with timeline as outlined in Appropriations Act
- Submitted concept paper to CMS
- Utilizing contractor support to design and write the 1115 waiver to meet the 150-day deadline for waiver submission
- Regular calls scheduled with CMS
- Will be seeking contractor support for implementation of the TEEOP program and other reforms via a Request for Proposal (RFP) process
    - DMAS is working on a Request for Information (RFI) process as a precursor to the Request for Proposal to ensure a robust RFP process

Implementation Status Update: Delivery System Will Use Current Managed Care Plans

Coverage will be provided for over 90% of Medicaid enrollees through the Medallion 4.0 and Commonwealth Coordinated Care Plus (CCC Plus) managed care programs

Medicaid Delivery Systems

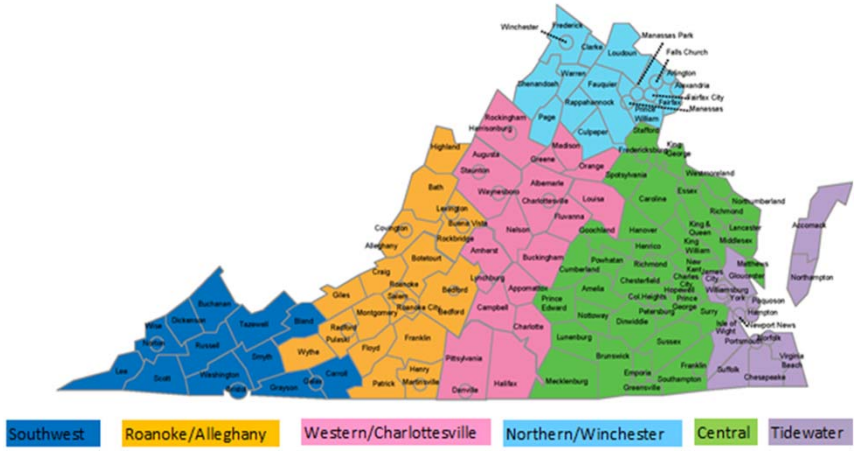
Commonwealth Coordinated Care Plus (CCC Plus) will serve populations who are *medically complex* (individuals with a complex behavioral or medical condition and functional impairment)

Medallion 4.0 will serve populations other than those who are medically complex

Fee for Service will serve populations until they are enrolled in an MCO and the populations and services that are excluded from managed care

6 Health Plans Contracted Statewide

1. Aetna Better Health of Virginia
2. Anthem HealthKeepers Plus
3. Magellan Complete Care of Virginia
4. Optima Health
5. United Healthcare
6. Virginia Premier Health Plan

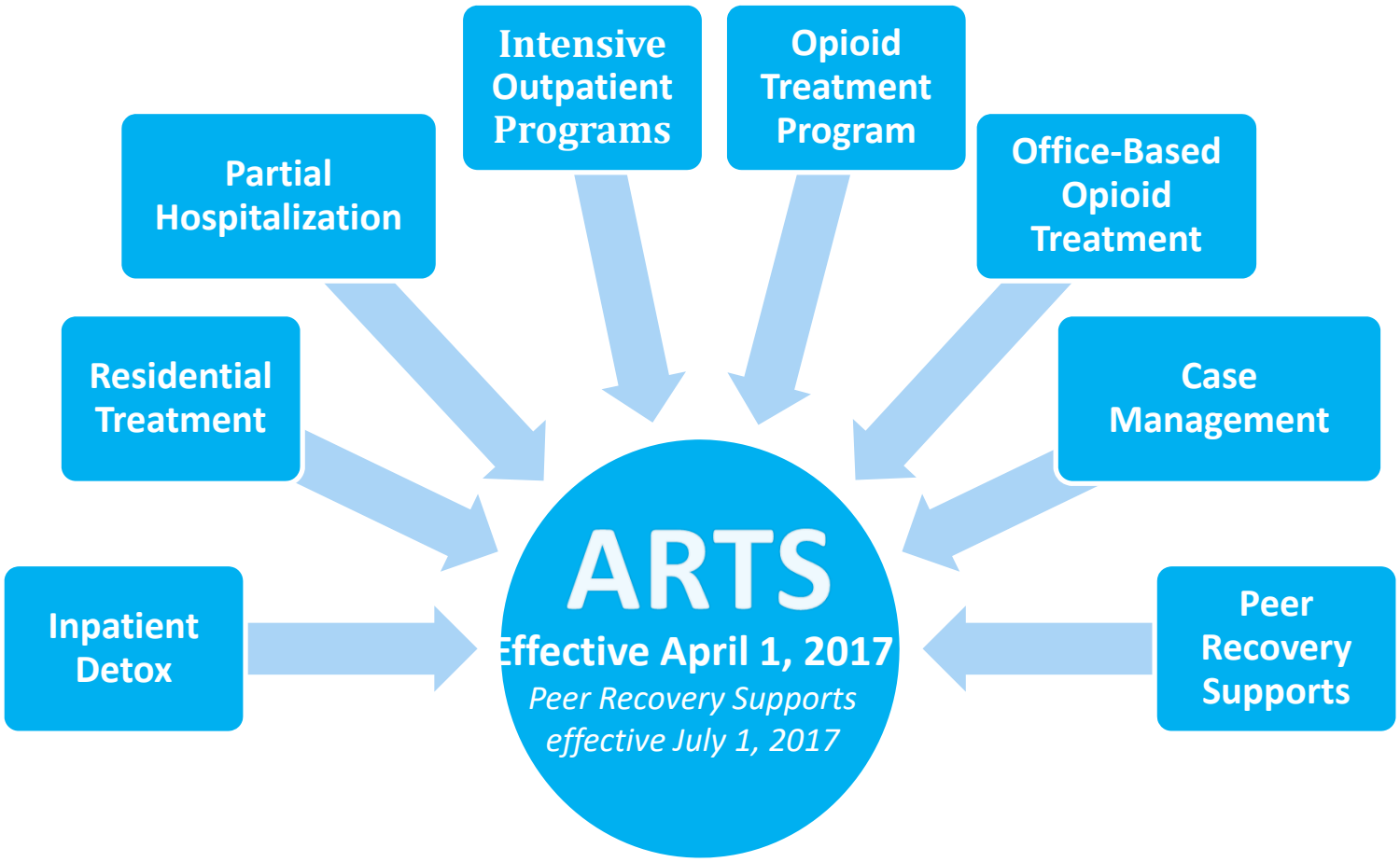


What Services are Covered?

New enrollees will receive coverage for all Medicaid covered services including evidence-based, preventive services

- Doctor, hospital and emergency services, including primary and specialty care
- Prescription drugs
- Laboratory and X-ray services
- Maternity and newborn care
- Home health services
- Behavioral health services, including addiction & recovery treatment services
- Rehabilitative services, including physical, occupational and speech therapies
- Family planning services
- Medical equipment and supplies
- Preventive and wellness services, including annual wellness exams, immunizations, smoking cessation and nutritional counseling
- And more

Addiction and Recovery Treatment Services (ARTS)



ARTS creates a fully integrated physical and behavioral health continuum of care

MCO and Contractor Readiness

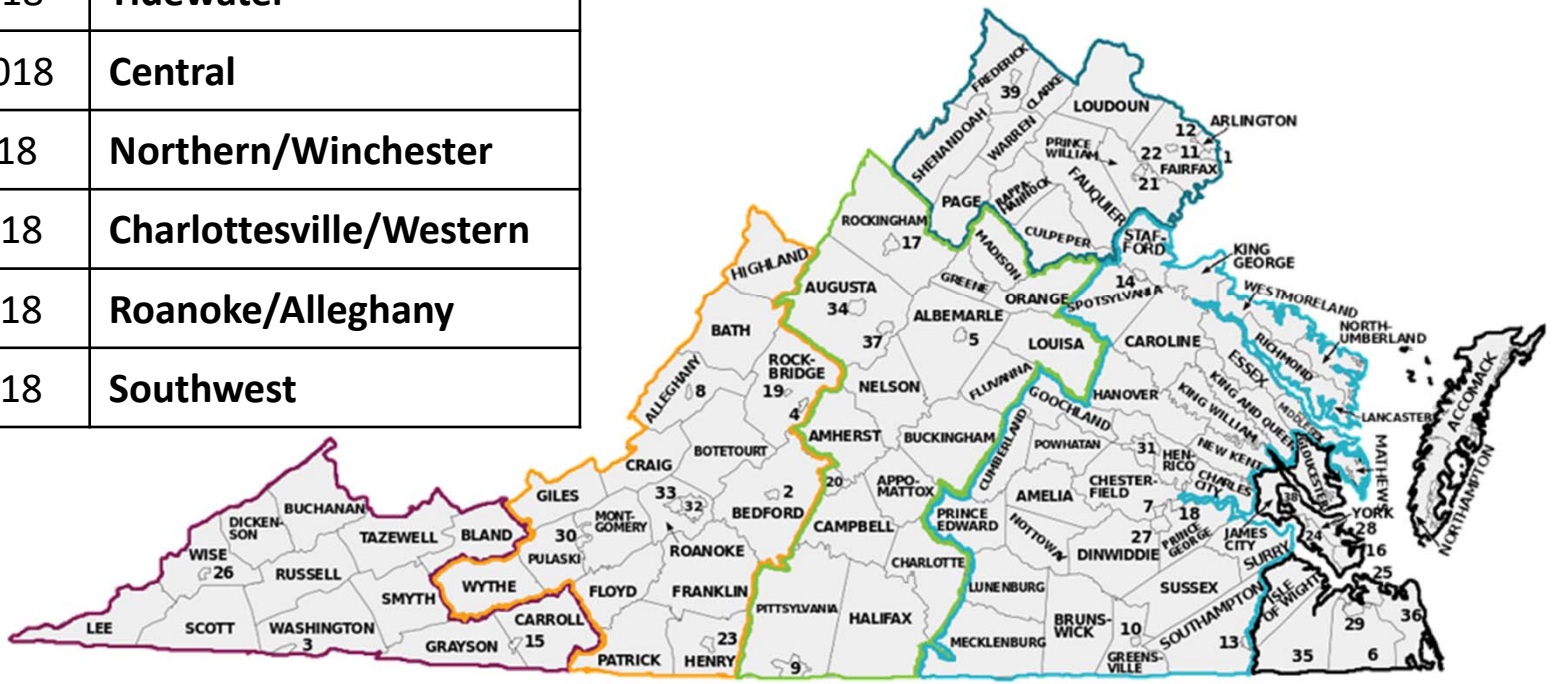
Partnering with health plans and other contractors to prepare for Medicaid expansion

- **Contract Modifications** – Working to ensure contract modifications are in place for health plans and other contractors
- **Collaboration** – Working collaboratively with health plans on key program design areas, such as the medically complex screening, early reforms, and 1115 Waiver development
- **MCO Trainings** – Convening regular, ongoing meetings with the MCOs to share information on key system and operational processes, and to ensure readiness in all areas, especially network adequacy and early reform activities, including:
  - ***Health and Wellness Accounts and Healthy Behavior Incentives:*** non-cash incentives to reward healthy behaviors; enhanced benefits that promote wellness; online health and wellness resources; disease management/prevention education; etc.
  - ***Referrals to job training, education, and job placement assistance;*** working collaboratively with referral sources to develop and implement appropriate policy and procedures
  - ***Appropriate Utilization of Services:*** ED care coordination and outreach to high ER utilizers, alternatives to ER (urgent care), behavior health homes, ensuring access to primary care, etc.
  - ***Enhancing fraud and prevention efforts:*** audits, data mining for aberrant billing, member education, service authorization, member surveys to verify appropriate claims payment, etc.

Medallion 4.0: Implementation by Region

The Medallion 4.0 program will be implemented by region beginning August 1, 2018

Anticipated Launch Date	Region of Virginia
Aug. 1, 2018	**Tidewater**
Sept. 1, 2018	**Central**
Oct. 1, 2018	**Northern/Winchester**
Nov. 1, 2018	**Charlottesville/Western**
Dec. 1, 2018	**Roanoke/Alleghany**
Dec. 1, 2018	**Southwest**



Medallion 4.0 will be fully implemented by the Medicaid expansion go-live date of January 1st, meaning new managed care enrollees will be served by the same six health plans, regardless of delivery system (CCC Plus or Medallion 4.0)

Key Systems Changes for Medicaid Expansion

Significant systems changes are required for the VAMMIS (Medicaid system) and VaCMS (eligibility system)

Data Shared Between Two Systems

VaCMS

Integrated Eligibility System.
Shared with the Virginia Department of Social Services (VDSS).
Housed at VDSS.

- **Determines Medicaid eligibility, which may vary by population**
- **Integrated system determines eligibility for other benefit programs including SNAP and TANF**

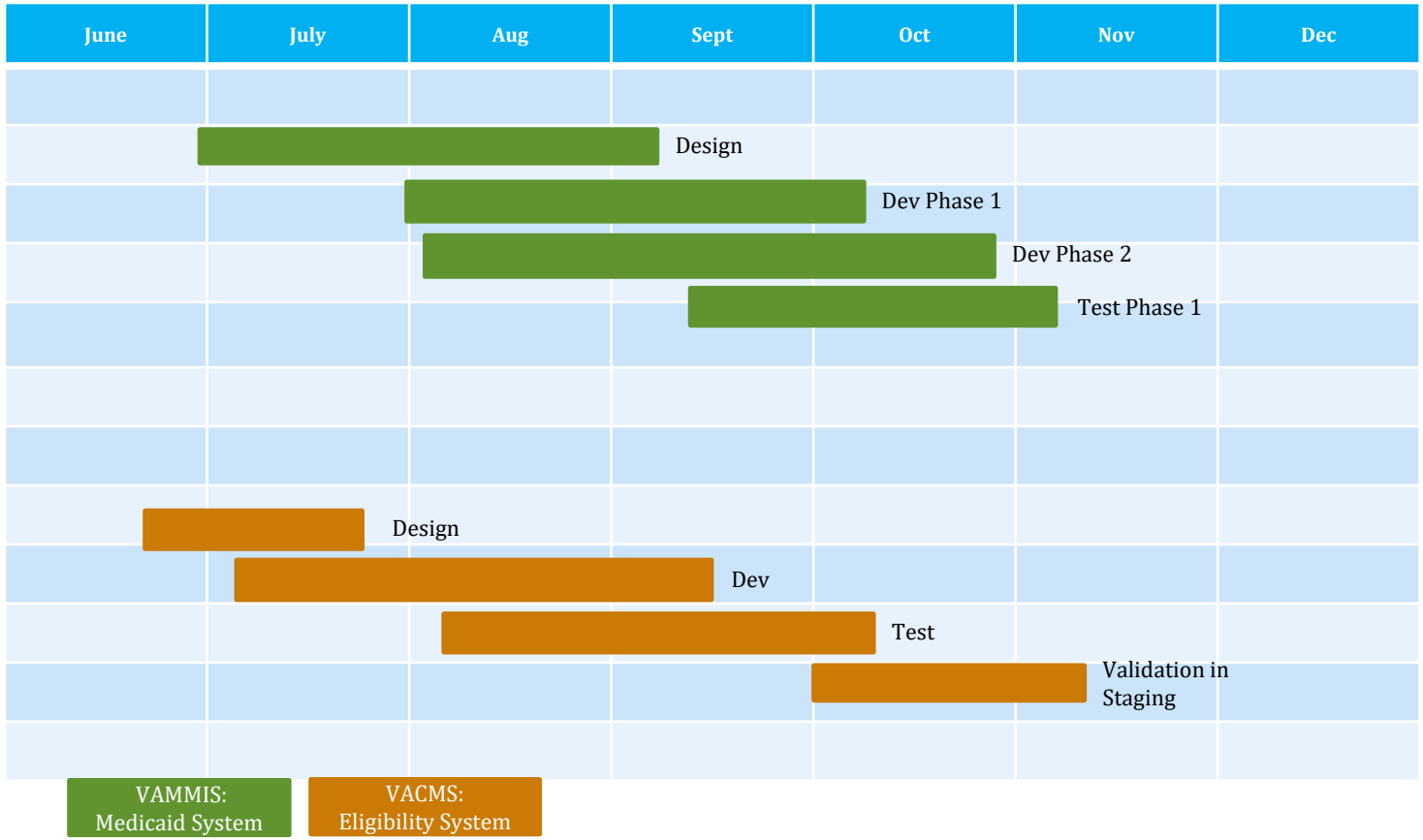
VAMMIS

Medicaid Management Information System.
Housed at DMAS; Interfaces with VaCMS, MCOs and other Contractors

- **Shares member eligibility and MCO enrollment with MCOs and other Contractors;**
- **Validates MCO encounters and processes FFS claims**

DMAS and VDSS are working collaboratively to ensure systems readiness for the Jan. 1, 2019 go-live date

IT Systems Timeline



DMAS and VDSS are working collaboratively to ensure systems readiness for the Jan. 1, 2019 go-live date

Implementation Status Update: Provider Assessments

Item	What CMS Needs to Approve	When DMAS Submitted Materials
Coverage Assessment	Test of broad-basedness (P1/P2)	Submitted to CMS on 6/21
Payment Rate Assessment	Test of broad-basedness (P1/P2)	Submitted to CMS on 6/21
FFS Supplemental Payments	State Plan Amendment (SPA)	Will submit to CMS in August
MCO Supplemental Payments	MCO Directed Payment Application (Preprint)	Submitted to CMS on 7/2

Implementation

- Weekly meetings with VHHA to discuss policy and implementation
- Engaging contractor to assist with implementation

Implementation Status Update: Outreach and Communications

New DMAS Website

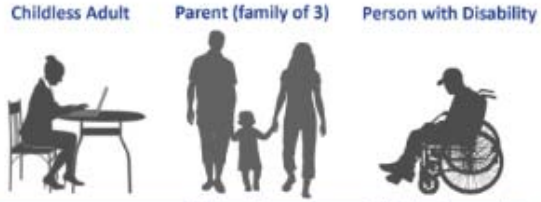
Implementation Status Update: Outreach and Communications

New Cover Virginia Expansion Webpage

COVER VIRGINIA
Connecting Virginians to Affordable Health Insurance 1-855-242-8282

Virginia's New Health Coverage for Adults

Who Qualifies for Virginia Medicaid?



	Childless Adult	Parent (family of 3)	Person with Disability
Currently:	Not Eligible	Eligible with annual income at or below $6,900	Eligible with annual income at or below $9,700
Beginning 2019:	Eligible with annual income at or below $16,754	Eligible with annual income at or below $28,677	Eligible with annual income at or below $16,754

Thousands of Virginians aged 19 to 64 will soon be able to sign up for new health coverage that will give them access to services at low cost. Starting January 1, 2019, eligible adults will be able to visit their doctor for help with preventing illness and improving their health. We'll continue to share new information over the coming months, so visit this website often.

Get answers to Frequently Asked Questions

Do you qualify for health benefits? Check out these tools to see if you may be eligible.

You may be eligible if you make less than:

Family Size	Yearly*	Monthly*
1	$16,754	$1,397
2	$22,715	$1,894
3	$28,677	$2,391
4	$34,638	$2,887
5	$40,600	$3,384
6	$46,562	$3,881
7	$52,523	$4,378
8	$58,485	$4,875

** includes 5% FPL Disregard*

Open the Eligibility Screening Tool

*This tool is only for the purpose of estimating eligibility.
Actual eligibility cannot be determined until the time when you apply.

VIRGINIA'S MEDICAID PROGRAM DMAS INNOVATION • QUALITY • VALUE

Implementation Status Update: Outreach and Communications
Strategic Communications Plan

A comprehensive strategic communications plan drives stakeholder engagement

UPCOMING STAKEHOLDER ENGAGEMENT ACTIVITIES

Speakers Bureau

Provider Outreach Workshop

Advocacy Summit

Implementation Status Update: Reporting and Evaluation

MOCK Dashboard (Early 2019)

New Health Coverage for Adults

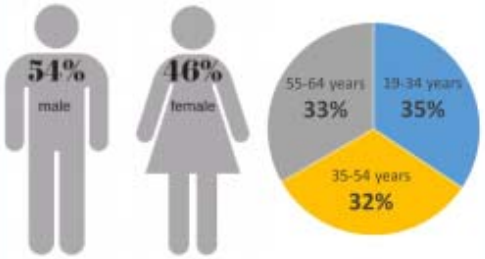
MOCK DASHBOARD

Overall Enrollment

100,000 Adults newly enrolled in Medicaid

21,000 new enrollees are parents

Age and Gender of Enrollees



Family Income of Enrollees

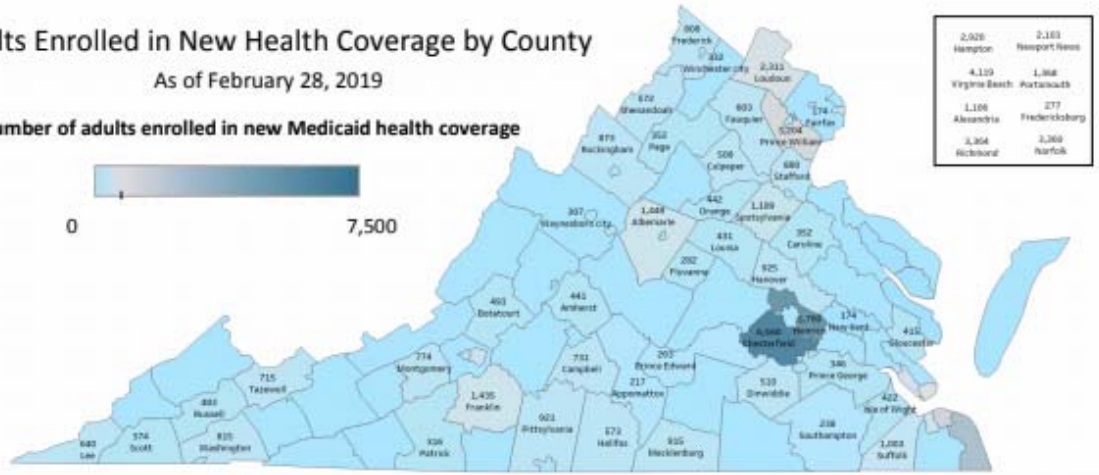
- Enrollees with incomes below 50% FPL
- Enrollees with incomes between 50% and 100% FPL
- Enrollees with incomes between 100% and 138% FPL

The federal poverty level is $12,140 annually for a single person, or $20,780 annually for a family of 3 people.

Adults Enrolled in New Health Coverage by County

As of February 28, 2019

Total number of adults enrolled in new Medicaid health coverage



Implementation Status Update: Reporting and Evaluation

Example of Cost-Savings Report in Montana

Montana Medicaid Expansion Has Saved the State More than $36 Million Through SFY 2017

17

State Savings from Medicaid Expansion (millions)

	Total	Moving some Medicaid populations to enhanced federal match				Replacing some State spending with federal match		
		Waiver	Pregnant women	Medically needy	Breast & cervical cancer	Mental health services	SUD treatment	Inmate care
Total	**$36.5**	**$9.8**	**$5.0**	**$4.0**	**$1.0**	**$3.1**	**$3.0**	**$10.5**
SFY 2016	$11.3	$2.8	$0.7	$1.9	$0.2	$1.3	$1.5	$2.9
SFY 2017	$25.2	$7.0	$4.3	$2.1	$0.8	$1.8	$1.5	$7.7

State Costs for Medicaid Expansion*

Total	**$29.4 million in state spending (remaining $706.0 million funded by federal government)**
SFY 2016	$5.0 million in state spending (remaining $153.6 million funded by federal government)
SFY 2017	$24.5 million in state spending (remaining $552.4 million funded by federal government)

Note: Sum of components may not equal total due to rounding.
* Excludes premium revenues, which are shared with the federal government at existing federal matching rates. Includes benefit and administrative spending.

MONTANA HEALTHCARE FOUNDATION manatt

Montana expanded Medicaid effective January 1, 2016 and reported on cost savings by early 2018.

Implementation Status Update: Reporting and Evaluation
Independent Evaluation of Medicaid Expansion

DMAS will be working with VCU and other entities on the independent evaluation of Medicaid expansion and the 1115 waiver

For example:

- Analysis of the primary care and behavioral health systems to assess current network adequacy, capacity, and readiness
- Analysis of recent trends in hospital uncompensated care costs
- Analysis of enrollment and utilization data to assess the early impact of expansion

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Next Steps

Major Milestones:

- **Coverage Assessment Begins October 2018**
- **Section 1115 Waiver Submission to CMS in Early November 2018**
- **Enrollment Begins November 2018**
- **Medallion 4.0 Implemented Statewide by December 1, 2018**
- **Coverage Begins January 1, 2019**

Regular Updates

Visit the Cover VA Website at www.coverva.org

or call 1-855-242-8282

for information and regular updates