

# VIRGINIA'S MEDICAID PROGRAM

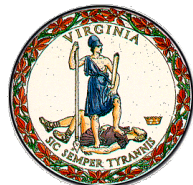
**Cheryl Roberts**  
**Director, DMAS**  
**January 2023**



# AGENDA

- DMAS Overview
- 2023 DMAS Priorities
- Governor's Introduced Budget

# DMAS OVERVIEW



# Our Mission & Values

To improve the health and well-being of Virginians through access to high-quality health care coverage



Service



Collaboration



Trust



Adaptability



Problem Solving

# Medicaid Enrollment – January 2023



**Children**

**860,552**



**Pregnant Members**

**33,834**



**Older Adults**

**86,729**



**Individuals with Disabilities**

**153,143**



**Adults**

**863,850**



**Limited Benefit Individuals**

**145,017**

# Managed Care Delivery System

To-date, two managed care programs focused on the diverse needs of the over 97% of Virginia's full-benefit Medicaid population through six statewide managed care plans:

## Medallion 4.0

**1,649,122**

- Serves infants, children, pregnant women, and adults including most of the Medicaid expansion population.
- Primary, acute, chronic care and pharmacy services for adults and children. Also includes substance use disorder and behavioral health services. Excludes LTSS.
- Implemented statewide August 2018.

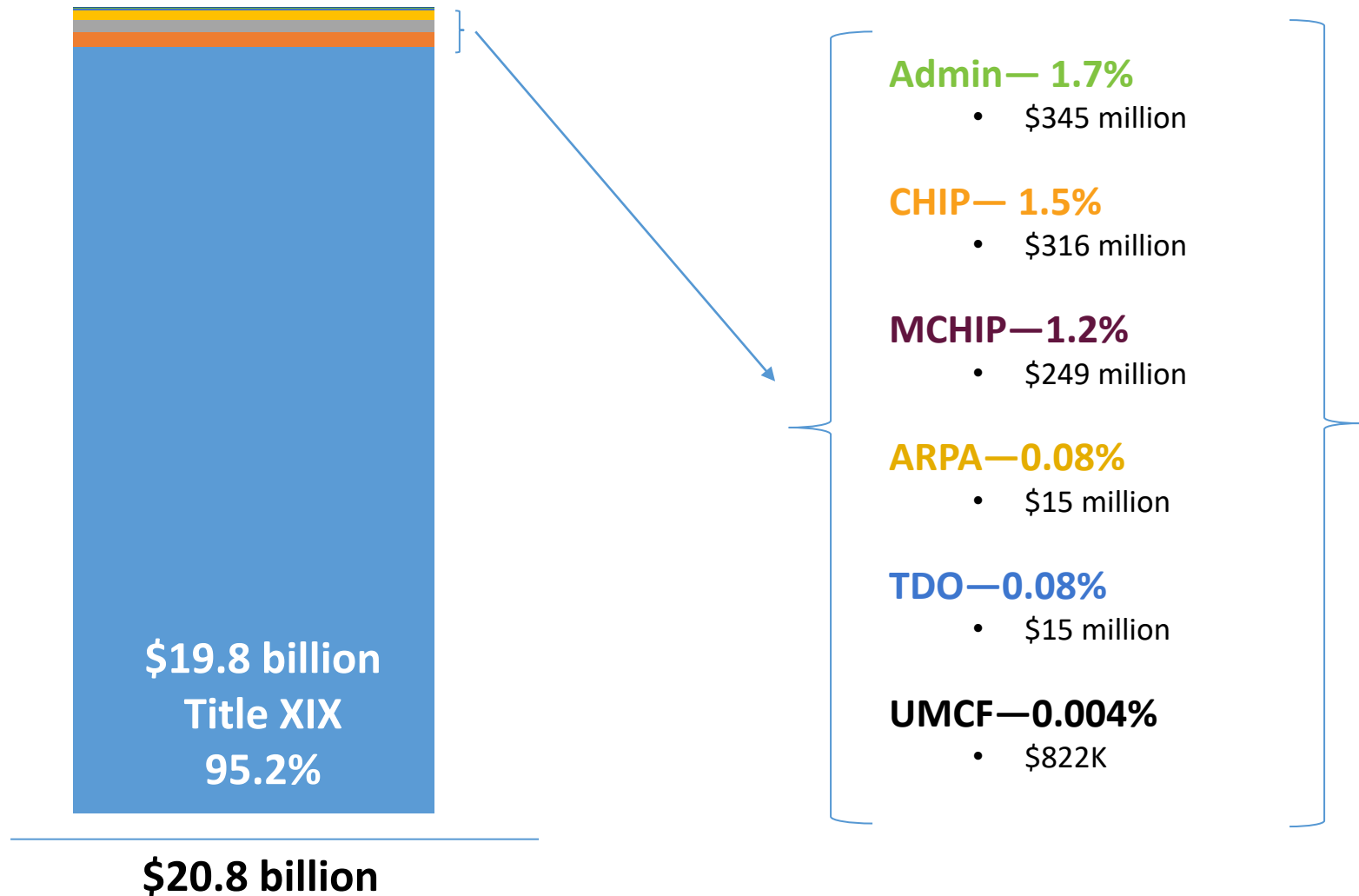
## Commonwealth Coordinated Care Plus

**304,790**

- Serves older adults and individuals with disabilities as well as Medicaid-Medicare eligible.
- Full continuum of services (same as Medallion) and includes long-term services and supports (LTSS) in the community and in nursing facilities and hospice. \*\*ID/DD services are in FFS.
- Implemented statewide January 2018.

**DMAS is currently working to consolidate the two programs by 2<sup>nd</sup> quarter 2023 for improved care and to serve as the foundation for the re-procurement, future growth, and innovations rebranded as Cardinal Care Managed Care.**

# DMAS FY23 Appropriation



# DMAS 2022 Highlights

## Innovation

- MES fully operational and certified
- New data dashboards on DMAS website
- Nursing facility quality value-based program

## Services

- Crisis services
- Doula benefit and 12-month postpartum coverage
- Telehealth
- Preventive services
- Mobile vision clinics

## Financing

- Rate increases and supplemental payments
- APA audit
- Procurements
- Work with DBHDS

## Program Support and Collaborations

- Preparing for the PHE unwinding
- Safe and Sound taskforce
- Cardinal Care
- DD waiver slots
- Partnership for Petersburg



# DMAS 2023 PRIORITIES



# DMAS 3 for 2023

- 1. “Unwinding”** Return to Normal Medicaid Processing
- 2. “Right Help, Right Now”** Behavioral Health Transformation
- 3. “Procurement”** Managed Care Delivery System being procured

# “Unwinding” – Return to Normal Processing



**Effective March 2023**, Virginia will be responsible for redetermining Medicaid eligibility for over 2.1 million members.

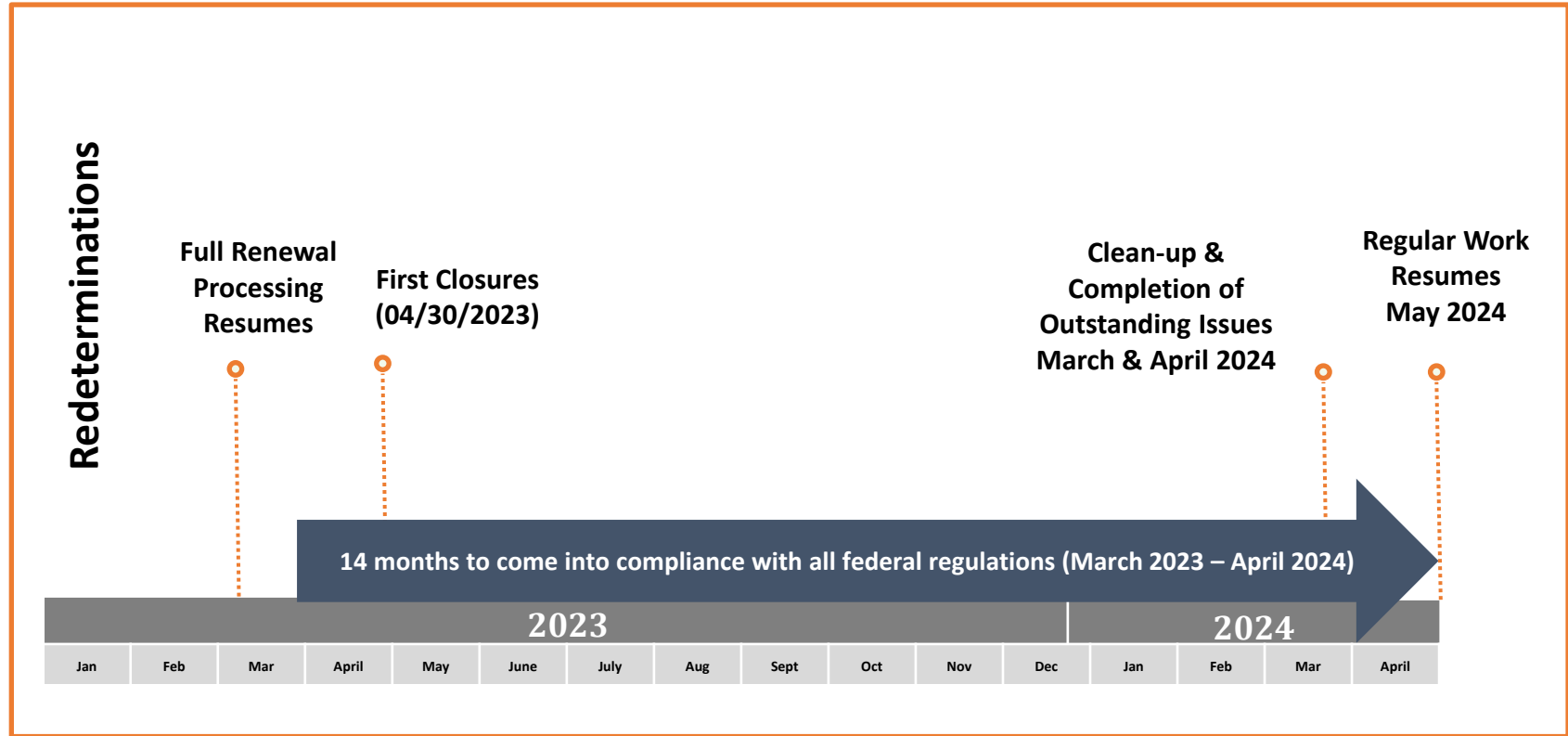


Preparations for this work began in 2020 through a joint HHR effort in close collaboration with the Department of Social Services (DSS).



DMAS expects approximately 14% of members to transition off the Medicaid program due to no longer meeting program requirements.

# “Unwinding” – Return to Normal Processing



CMS guidance lays out a timeline of up to 14 months for states to unwind. This includes a 12 month period to initiate all renewals with an additional two months to clean up all work. Return to normal operations includes meeting timeliness standards for applications, changes, & renewals, and taking action to reduce/terminate coverage after a full redetermination.

# Actions in Preparation for Unwinding

## State & Local DSS

- ✓ Coordination & collaboration
- ✓ Overtime
- ✓ Retraining
- ✓ Recruiting

## VaCMS & MES Updates

- ✓ 20 changes implemented
- ✓ 3 changes in progress
- ✓ 30% of redeterminations

## Data

- ✓ Working with Contractor and other sources to get up-to-date financial information for prioritization

## Cover Virginia

- ✓ Cover VA contract modification to handle calls and non-complex cases

## Member Outreach & Engagement

- ✓ Correction of out of state addresses
- ✓ >1 million letters mailed
- ✓ Digital ad campaign

## Stakeholder Engagement

- ✓ CMS approved toolkits
- ✓ Trainings
- ✓ Ambassador program
- ✓ March 2023 Summit

## MCO Engagement

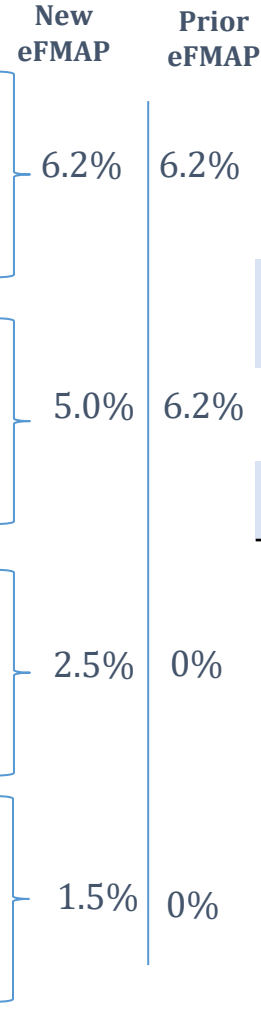
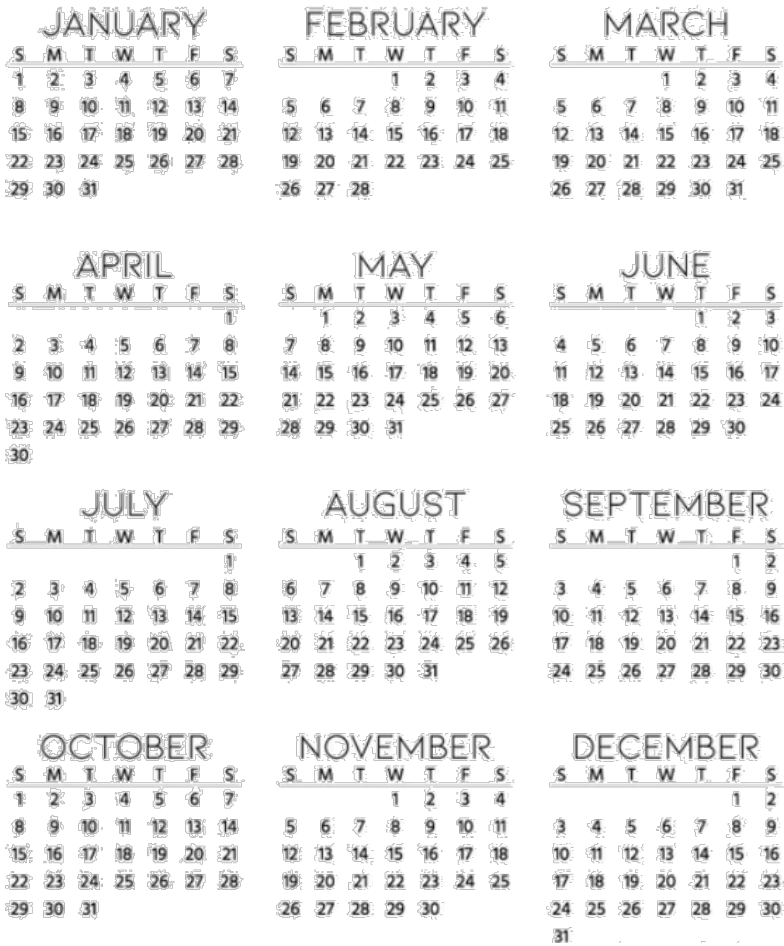
- ✓ Address updates and outreach campaigns
- ✓ Assistance with transitions

## SCC/State Based Exchange

- ✓ Coordination/collaboration with State Based Exchange in preparation for Fall 2023 transition

# Financial Impact of Unwinding (Redetermination)

## 2023



General Fund	FY23	FY24	Net
<b>Medicaid</b>	(29,929,433)	127,293,475	97,364,042
<b>CHIP</b>	(878,961)	3,490,994	2,612,033
<b>Total</b>	<b>(\$30,808,394)</b>	<b>\$130,784,469</b>	<b>\$99,976,075</b>

# Behavioral Health Transformation

Governor Youngkin launched a multi-year, statewide initiative emphasizing the “Right Help, Right Now” in December 2022.

**An aligned approach to BH** that provides access to **timely, effective, and community-based care** to reduce the burden of mental health needs, developmental disabilities, and substance use disorders on Virginians and their families

**1: We must strive to ensure same-day care for individuals experiencing behavioral health crises**

**2: We must relieve the law enforcement communities’ burden while providing care and reduce the criminalization of behavioral health**

**3: We must develop more capacity** throughout the system, going beyond hospitals, especially to enhance community-based services

**4: We must provide targeted support for substance use disorder (SUD)** and efforts to prevent overdose

**5: We must make the behavioral health workforce a priority,** particularly in underserved communities

**6: We must identify service innovations and best practices** in pre-crisis prevention services, crisis care, post-crisis recovery and support and develop tangible and achievable means to close capacity gaps

# Behavioral Health Transformation

## DMAS is:

- **Working** to provide effective and accessible services to both children and adult covered by Medicaid.
- **Seeking** opportunities to use managed care contracts and procurement to identify and implement innovations and best practices including outcomes-based payment and MCO performance incentives.
- **Focusing** on targeted collaboration with sister state agencies, MCOs, and community partners.



# Managed Care Procurement

To continue to build on the foundation and strengths of Virginia's Medicaid managed care, and maximize program enhancements for members and providers, DMAS is seeking to procure a managed care delivery system in 2023.



In October 2022 it was announced that DMAS is seeking to use this procurement to drive innovation and strengthen quality and accountability in its managed care program.



Feedback was solicited from a variety of stakeholders including the Medicaid Managed Care Advisory Committee, the Member Advisory Committee, CHIPAC and other provider groups and associations. Stakeholder input is ongoing.



DMAS awarded a contract Boston Consulting Group to assist with the development of the managed care RFP and identifying opportunities for innovation, best practices, and program enhancements.

***The target dates is to release RFP in Spring/Summer 2023 for go-live date of July 2024.***

# Managed Care Procurement

**Objective: Build a best-in-class RFP that advances Virginia's Medicaid program goals through a rigorous procurement process**

## RFP to advance DMAS goals

Build a **best-in-class managed care RFP** that will **drive managed care program goals**, ensure **best value** for the state, and enable DMAS to **increase MCOs accountability** for performance

## Foundational focus

Continue to promote transparency, data analytics, compliance monitoring and oversight within the program.

## Emerging outcomes & program objectives

**Advance the Commonwealth's priorities** such as **improving behavioral health and population health outcomes**

**Provide member-centered, holistic care** that meaningfully engages and addresses unique needs of all members

Enhance **availability and accessibility of care** across all care settings; promote community integration and a **balanced LTSS delivery system**

Strategically leverage **new technologies, payment models, and best practices for accountability and impact**

# Managed Care Procurement

Administrative funding will be needed to support both the procurement and its implementation. This includes:

<b>Managed Care Procurement Cost Estimate</b>			
	<b><u>GF</u></b>	<b><u>Federal</u></b>	<b><u>Total</u></b>
Systems Changes	\$390,000	\$1,170,000	\$1,560,000
Enrollment Broker	\$462,000	\$462,000	\$924,000
Member Communications	\$525,250	\$525,250	\$1,050,500
Rate Development	\$250,000	\$250,000	\$500,000
Readiness Reviews	\$62,500	\$187,500	\$250,000
	<b>\$1,689,750</b>	<b>\$2,594,750</b>	<b>\$4,284,500</b>

# Governor's 2022 Budget Overview

Financial/Technical Items



Services and Supports



Rate Increases



# GOVERNOR'S INTRODUCED BUDGET



# Governor's Introduced Budget

## Financial/Technical Items



	FY2023		FY2024	
	GF	NGF	GF	NGF
<b>Fund Medicaid Utilization and Inflation (304)</b>	\$ -279,325,319	\$ 1,483,717,796	\$ 12,266,384	\$ 1,356,069,626
<b>Adjust Virginia Health Care Fund Appropriation (304 C.1)</b>	\$ -50,436,557	\$ 50,436,557	\$ 67,732,794	\$ -67,732,794
<b>Fund Family Access to Medical Insurance Security Program Utilization and Inflation (303)</b>	\$ -13,143,045	\$ 7,098,020	\$ -321,954	\$ 5,279,027
<b>Fund Medical Assistance Services for Low-Income Children Utilization and Inflation (303)</b>	\$ -5,888,208	\$ 16,495,016	\$ -2,820,997	\$ 634,327
<b>Account for Extension of Federal Public Health Emergency (308 V.1)</b>	\$ -157,800,861	\$ 153,859,144	\$ 53,439,303	\$ 1,113,615,681

# Governor's Introduced Budget

## Services and Supports



	FY2023		FY2024	
	GF	NGF	GF	NGF
<b>Fund an Additional 500 Developmental Disability (DD) Waiver Slots (Item 304 I)</b>	\$ -	\$ -	\$ 15,155,118	\$ 15,822,689
<b>Reprocure Medicaid Managed Care Program (304 TTTT)</b>	\$ 1,689,750	\$ 2,594,750	\$ -	\$ -
<b>Workgroup to Examine Inclusion of Residential Treatment Services in Managed Care (Item 308 EE)</b>	\$ -	\$ -	\$ -	\$ -
<b>Implement Telehealth Service Delivery Options for Developmental Disability (DD) waivers (304 VVVV)</b>	\$ -	\$ -	\$ -	\$ -
<b>Improve Access to Peer Recovery Support Services (304 WWWW)</b>	\$ -	\$ -	\$ -	\$ -

# Governor's Introduced Budget

## Services and Supports



	FY2023		FY2024	
	GF	NGF	GF	NGF
<b>Account For the Medicaid Portion of State Facility Salary Actions (304 A)</b>	\$ -	\$ -	\$ 268,792	\$ 280,632
<b>Add 20 Psychiatric Residencies Through Graduate Medical Education (304 GG.1)</b>	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
<b>Transfer Resources to Fund Developmental Disability Waiver Responsibilities (308 HH)</b>	\$ -	\$ -	\$ 85,000	\$ 85,000



# Governor's Introduced Budget

## Rate Increases



	FY2023		FY2024	
	GF	NGF	GF	NGF
<b>Increase Rates for Consumer Directed Personal Care, Respite, and Companion Services (304 XXX)</b>	-	-	\$ 41,616,322	\$ 47,194,131
<b>Increase Rates for Early Intervention Services (304 TTTT)</b>	-	-	\$ 1,117,018	\$ 1,187,947

# Three Takeaways

- In 2022: DMAS met financial and programmatic goals.
- 2023: 3 major projects
  - Unwinding
  - Behavioral health transformation
  - Managed care procurement
- Asking for support of the Governor's Introduced budget items to continue to move forward.