

UPDATE FOR JOINT SUBCOMMITTEE FOR HHR OVERSIGHT

OCTOBER 23, 2018

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Virginia Department of Medical
Assistance Services (DMAS)**

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**Commissioner,
Virginia Department of Social Services
(VDSS)**

Agenda

- Virginia COMPASS 1115 Demonstration Waiver Components and Process**
- Overview of Current Landscape: Workforce Programs & Work Requirements**
- Overview of Changes Required for Implementation of Virginia COMPASS Waiver**
- Review of Timeline for Implementation of Virginia COMPASS Waiver**
- Measuring Success: Reporting and Evaluation**
- Provider Rate Information**

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 and will submit a § 1115 Waiver while awaiting CMS approval of State Plan Amendments

State Plan Amendment v. Waivers

State Plan Amendment (SPA)

- Amending the State Plan for Medical Assistance, which is Virginia's agreement with the federal government for administering the Medicaid program
- 25 state plan amendments (SPAs) on average annually
- Regulations in Virginia Administrative Code (12 VAC 30 Chapters 5-110)
- **90-day approval period**

Waivers


- Waive parts of the Social Security Act
- Different waiver types
 - § 1915(b) establishes a managed care service delivery system
 - § 1915(c) establishes home and community based services
 - **§ 1115** tests new research and demonstration projects
 - **Undefined timeline for approval**

Policy and Authorities

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

Submitted SPAs and Waivers	Approved SPAs and Waivers
<ul style="list-style-type: none">▪ Hospital Presumptive Eligibility SPA▪ Changes to Medicaid Application SPA▪ 1915(b) waiver amendments	<ul style="list-style-type: none">✓ Adult Expansion Eligibility SPA✓ Federal Medical Assistance Percentage (FMAP) SPA✓ Alternative Benefit Plan (ABP) SPA✓ Health Insurance Premium Payment (HIPP) SPA✓ FFS Supplemental Payment SPA (Outpatient/Inpatient)✓ Provider Assessment (P1/P2)✓ Federal Medical Assistance Percentage (FMAP) SPA✓ Health Insurance Premium Payment (HIPP) SPA✓ Determination SPA✓ SNAP SPA✓ 1915(c) waiver amendments

State Law Requires Waiver Changes



Budget Bill - HB5002 (Chapter 2)
Bill Order • Office of Health and Human Resources • Item 303

	First Year - FY2019	Second Year - FY2020
Department of Medical Assistance Services	\$11,349,056,147	\$12,995,105,698
Item 303	\$123,671,762	\$110,694,442
Medical Program Services (45600)	\$134,087,172	\$14,571,740
Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607)	\$8,816,335,481	\$9,247,571,707
Reimbursements for Behavioral Health Services (45609)	\$1,219,300,420	\$1,307,338,752
Reimbursements for Long-Term Care Services (45610)	\$1,055,661,304	\$2,312,939,049
Payments for Healthcare Coverage for Low-Income Uninsured Adults (45611)		\$4,775,531,809
Fund Sources:	\$4,695,022,530	\$1,070,819,016
General	\$752,219,145	\$7,146,754,795
Dedicated Special Revenue	\$5,905,814,474	
Federal Trust		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended; This Title Code.

A. Out of this appropriation, \$61,835,881 the first year and \$55,547,221 the second year from the federal trust fund shall be used to reimburse the Department of Behavioral Health and Intellectual Disabilities to the institutions within the Department of Behavioral Health and Intellectual Disabilities for the costs of providing behavioral health services to the general public.

B.1. Included in this appropriation is \$71,773,601 the first year and \$45,981,756 the second year from the general fund and \$90,962,360 the first year and \$95,874,328 the second year from nongeneral funds to reimburse the Virginia Commonwealth University Health System for indirect health care costs. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is \$45,354,530 the first year and \$45,981,756 the second year from the general fund and \$58,069,230 the first year and \$46,106,534 the second year from nongeneral funds to reimburse the University of Virginia Health System for indirect health care costs. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. The general fund amounts for the state teaching hospitals have been reduced to mirror the general fund impact of reduced and no inflation for inpatient services in prior years. It also includes reductions associated with prior year indirect care reductions. However, the nongeneral funds are appropriated. In order to receive the public funds in excess of the amount of the general fund appropriated, the health systems shall notify the public expenditures.



Work and Community Engagement



Premiums, Co-Payments, Health and Wellness Accounts



Housing and Employment Supports Benefit

Overview of the Virginia “Creating Opportunities for Medicaid Participants to Achieve Self-Sufficiency” (COMPASS) Waiver

Section 1115 Demonstration Waiver Components



Work/Community Engagement (TEEOP)

- Requirement to participate in training, education, employment and other community engagement opportunities for 80 hours per month in order to maintain Medicaid coverage.
- Applies to all “able-bodied adults” in the Medicaid program who do not meet an exemption (e.g., parents of dependent children, medically-frail, disabled).



Health & Wellness Program

- Requirement for premiums and co-payments, health & wellness accounts and healthy behavior incentives.
- Applies to Medicaid enrollees with incomes between 100-138% FPL, who do not meet an exemption. Exemptions are the same as in the TEEOP program.

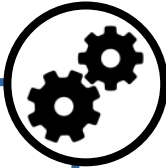


Housing & Employment Supports for High-Risk Enrollees

- A supportive housing and employment benefit for high-risk Medicaid enrollees, including those with severe mental illness, substance use disorder, or other complex, chronic conditions.

Work and Community Engagement: Overview

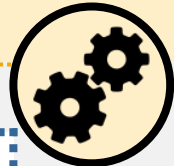
Summary of State Law



- Virginia will implement the Training, Education, Employment Opportunity Program (TEEOP) to promote work and community engagement.
- The Commonwealth will phase in a requirement that makes participation in TEEOP a condition of eligibility for all Medicaid enrollees between the ages of 19 and 64 with incomes up to 138 percent of the FPL who are not exempt.

Work and Community Engagement: Participation Requirements

People who are not exempt must participate in one or more qualifying work or community engagement activities, beginning with 20 hours per month and gradually escalating to 80 hours per month, to continue to stay in Medicaid.



Activities

- Employment
- Job skills training or job search activities/readiness
- Participation in a workforce program
- Education
- Training and apprenticeships
- Community or public services
- Caregiving services
- Other activities

People who do not meet the work/community engagement requirement for any three months within a 12-month period will have their Medicaid coverage suspended until : 1) the end of the year or 2) demonstrating compliance with the work and community engagement requirements for one month, or 3) qualifying for another Medicaid eligibility category not subject to work and community engagement requirements, or 4) qualifying for an exemption.

Work and Community Engagement: Exemptions

Some people in Medicaid will be exempt from – meaning they don't have to meet – work and community engagement requirements.



Standard Exemption Examples:

- ✓ Pregnant and 6-months postpartum women
- ✓ Children who are age 19 and younger
- ✓ Students in post-secondary education
- ✓ Medically frail individuals
- ✓ Individuals who already meet the work requirements of the TANF and/or SNAP programs
- ✓ Individuals age 65 and older
- ✓ Individuals who have blindness or a disability
- ✓ Victims of domestic violence



Hardship/Good Cause Exemption Examples:

- ✓ Individuals who experience a hospitalization or serious illness or who live with an immediate family member who experiences a hospitalization or serious illness
- ✓ Birth or death of a household member
- ✓ Family emergency
- ✓ Change in family living circumstances (e.g., separation, divorce)
- ✓ Individuals living in geographic areas with high unemployment rates



The length of the hardship/good cause exemption will be dependent on the individual's circumstance.

Work and Community Engagement: TEEOP Employment Supports

To help people meet TEEOP requirements and get jobs, Virginia will offer employment support services.



EMPLOYMENT SUPPORT SERVICES

 Educational Services	<ul style="list-style-type: none"> ✓ Subsidies for industry certification 	
 Pre-Employment Services	<ul style="list-style-type: none"> ✓ Job-related assessments ✓ Person-centered employment planning ✓ Job development and placement ✓ Job carving (working with a client and employer to modify an existing job description) ✓ Benefits and education planning ✓ Transportation to pre-employment services 	
 Employment Sustaining Services	<ul style="list-style-type: none"> ✓ Career advancement services ✓ Negotiation ✓ Job analysis ✓ Job coaching ✓ Benefits education and planning 	<ul style="list-style-type: none"> ✓ Asset development ✓ Follow-along supports ✓ Transportation to employment support services

The State will provide assessments and referrals for employment.

Premiums, Co-Payments, Health and Wellness Accounts

Virginia will implement premiums co-payments and Health and Wellness Accounts to empower people to take greater responsibility for their health and well-being.



Premiums



Healthy Behavior Incentives



**Co-Payments for Non-Emergent Use of the
Emergency Department**



Health and Wellness Accounts & Health Rewards

Premiums and Health and Wellness Accounts



Medicaid enrollees with incomes from 100-138% of the FPL will be required to pay monthly premiums for Medicaid. Premium amounts are:

INCOME	ANNUAL INCOME RANGE FOR A HOUSEHOLD OF 1*	MONTHLY PREMIUM
100-125% FPL	\$12,140 - \$15,175	\$5 per month
126-138% FPL	\$15,296 - \$16,753	\$10 per month

Premium payments will go into Health and Wellness Accounts (HWAs).

People who make the required premium payments and do at least one healthy behavior will be able to receive a Health Rewards gift card to pay for health-related services (e.g., eyeglasses or vitamins).

People who make the required number of premium payments but do not do a healthy behavior will not be able to get a Health Reward. But, their HWA money will roll over to the next year, and they will have another chance to earn a Health Reward.

People who do not pay their premiums for three months will have their Medicaid coverage suspended until making premium payment, meeting an exemption or reporting a change in circumstances that reduces family income to less than 100% of FPL

Housing Supports for High-Need Population

Virginia will provide housing supports for people in Medicaid with high health needs who are ages 18 and older if the State finds they have a need for these services.



HOUSING SUPPORTS

- ✓ **Housing Transition Services, such as:**
 - Help with budgeting for housing and living costs
 - Making the living space safe for move-in
 - A security deposit to get a lease on an apartment/home
- ✓ **Housing and Tenancy Sustaining Services, such as:**
 - Entitlement assistance
 - Education and training on the role, rights, and responsibilities of the tenant/landlord
 - Advocacy and linking to community resources to prevent eviction

Employment Supports for High-Need Population

Virginia will also provide employment supports for people in Medicaid with high health needs who are ages 18 and older if the State finds they have a need for these services.

EMPLOYMENT SUPPORTS

- ✓ **Case Management**
- ✓ **Educational Services, including:**
 - Subsidies for industry certification
- ✓ **Pre-Employment Services, such as:**
 - Job carving
 - Benefits and education planning
 - Transportation to pre-employment services
- ✓ **Employment Sustaining Services, such as:**
 - Negotiation with employers
 - Job analysis and coaching



Section 1115 Demonstration Waiver

DMAS is working 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
 - Will submit the Section 1115 Demonstration Waiver Application to CMS for approval no later than 150 days from passage of HB 5001
- Biweekly regular calls with CMS have been ongoing for months
- 30-day public comment period opened on 9/20 and closed on 10/20
 - Draft 1115 Waiver and all information on the Public Hearings were made available on the DMAS website

PUBLIC HEARINGS	
September 25	✓ DMAS Board Meeting (Richmond)
October 3	✓ Roanoke Elks Lodge No. 197 (Roanoke)
October 9	✓ Great Falls Library (Northern Virginia)
October 11	✓ MEO Central Library (Virginia Beach) <i>(Canceled due to inclement weather)</i>
October 15	✓ Arlington Central Library

At the conclusion of the public comment period, DMAS began compiling and responding to comments as part of the Section 1115 Waiver Application

Virginia COMPASS: Waiver Submission Process

DMAS released the 1115 waiver for the 30-day state public comment period on September 20, 2018



DMAS will submit the 1115 Virginia COMPASS waiver to CMS by November 4, 2018, after responding to all public comments



CMS will determine if application is complete within 15 days.
30-day CMS public comment period begins.



DMAS and CMS continue negotiations until waiver approval. There is no defined federal timeline for 1115 waiver approval

Overview of Changes Required for Virginia COMPASS Waiver

New Business Processes and Systems Changes for TEEOP

- Develop new eligibility business processes for exemptions, automated reporting, suspensions of coverage and reenrollment
- Develop member compliance and reporting processes
- Develop member assessment processes, including connecting individuals to services
- Establish systems requirements, modify existing contracts, and implement new technology services
- Implement new systems and make systems changes, including changes to eligibility system (VaCMS) to ensure interoperability across systems (including Workforce and Medicaid)

Overview of Changes Required for Virginia COMPASS Waiver

New Business Processes and Systems Changes for TEEOP


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

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




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

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



- **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

Overview of Changes Required for Virginia COMPASS Waiver

Stand Up Health & Wellness Program

- DMAS does not currently have Health & Wellness accounts or premiums
- Develop new business processes
- Create systems to operationalize premiums, accounts and copayments with contractor/managed care organization support
- Connect new systems and processes to TEEOP processes and eligibility systems

Overview of Changes Required for Virginia COMPASS Waiver

Outreach, Training & Stakeholder Engagement

- Extensive training of state and contractor staff
- Outreach and education campaign to ensure enrollee, provider, advocate and other stakeholder understanding of requirements and penalties

Overview of Changes Required for Virginia COMPASS Waiver

Bolster Workforce Programs to Meet Need

- Estimated 5.2 million additional hours per month in community engagement activities needed to meet the need, once individuals reach 80 hours per month
- Build upon existing workforce programming
- Seeking federal resources for additional supportive employment services

Virginia's Workforce System



VIRGINIA CAREER WORKS

Title I

Training and Education
Dislocated, Low
Income, Youth

Title II

Adult Basic
Education

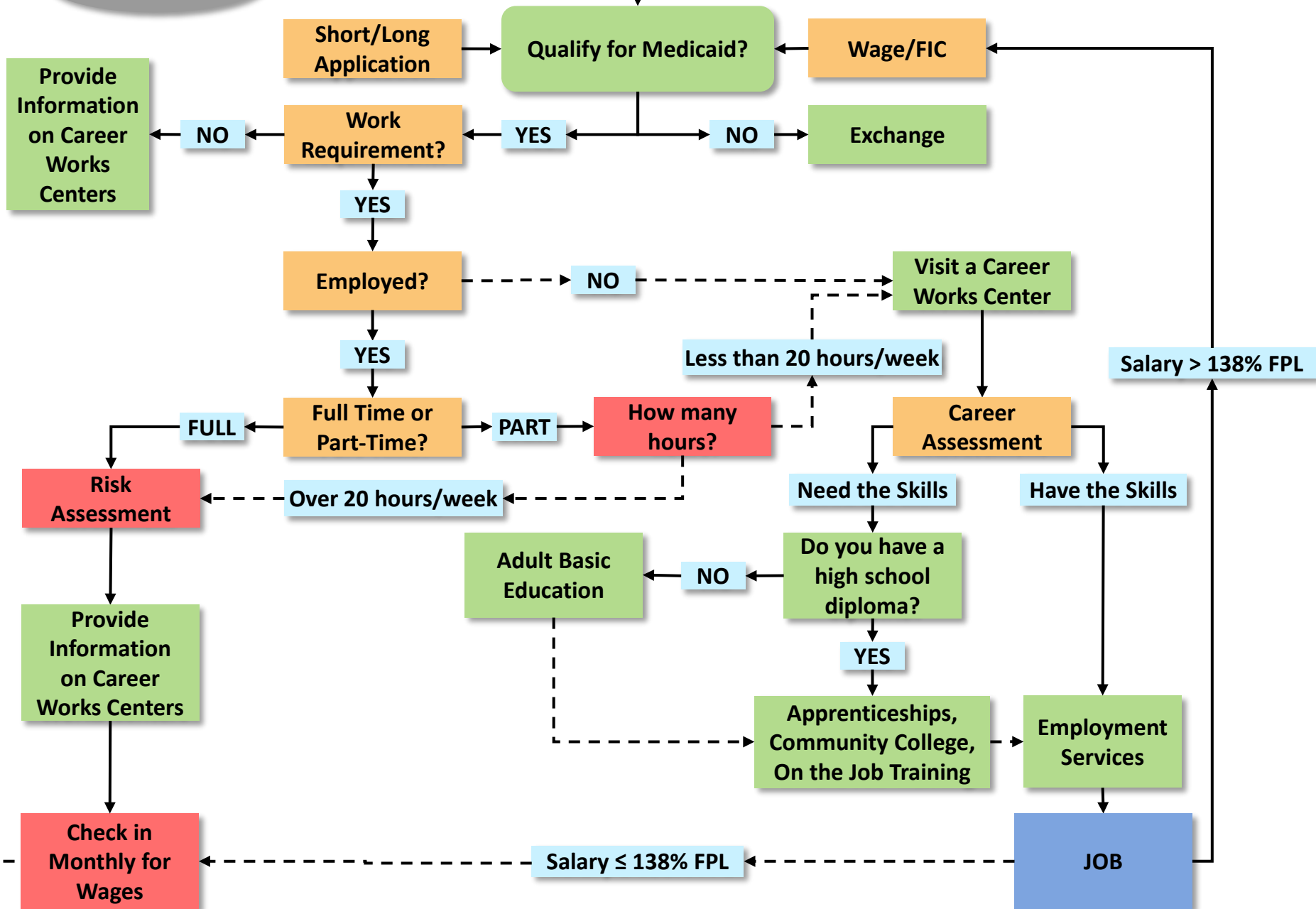
Title III

Wagner Peyser
Employment Services

Title IV

Vocational
Rehabilitation

VDSS



Overview of Current Landscape - VDSS

VDSS System Supports Two Core Workforce Programs

- **TANF – VIEW**
 - **35% of TANF Caseload in VIEW (15,600 individuals per year)**
 - **Case management cost per case - \$1,537.07**
 - **Purchase of services per case - \$750**
- **Outcomes**
 - **Participants in a work activity – 96%**
 - **Job entry rate – 67%**
 - **Job retention (3 months) – 66%**
 - **Avg. wage - \$10.15 per hour**

Overview of Current Landscape - VDSS

VDSS System Supports Two Core Workforce Programs

- ***SNAP Employment Training Program (SNAPET)***
(2,000 participants per year)
 - ***Case management cost per case - \$1,144.40***
 - ***Purchase of services per case - \$209***
- ***Outcomes***
 - ***Credential Attainment – 38%***
 - ***Job Entry – 48%***
 - ***Median Annual Earnings - \$14,500***

VDSS – Estimated Cost of TEEOP

VDSS will play a key role in the operation of TEEOP

- ***Eligibility related to TEEOP- \$3.5 million***
 - ***Tracking and taking action on employment engagement hours - Assumes local department staff time for each “touch” (Four touches annually)***
- ***Systems development and testing - \$5 million (VACMS, CommonHelp)***
- ***Assessment, Case Management, and Purchase of Workforce Services will be done through Virginia Career Works***

Lessons Learned from Other States

- **Currently, four states have received federal approval to implement work/community engagement requirements (AR, KY, NH, IN). All four states have already implemented Medicaid expansion.**
 - **Two states (KY, AR) have pending litigation.**

Lessons Learned for Implementation



- Caution against making systems changes prior to waiver approval by CMS. Negotiations with CMS can significantly impact business processes and systems requirements.
- Encourage significant outreach/training prior to implementation to mitigate loss of coverage due to lack of knowledge and understanding of the requirements and penalties.
- Where possible, phase in or pilot requirements and penalties so both the state and enrollee can learn and adapt prior to full implementation.

Discussion of Implementation Timeline: Indiana

Indiana HIP 1115 Waiver: Gateway to Work Program Overview

- Indiana is taking a phased approach to its work/community engagement requirement implementation.
- Indiana had previously implemented Medicaid expansion and its premiums/POWER accounts in 2015.

June 2017

- **Submit waiver to CMS**

Feb. 2018

- **CMS approval of waiver**

Jan. 2019

- **Go-live (phased approach: 0-hour requirement)**

July 2019

- **Phased-in hours requirements begin**

Jan. 2020

- **Reporting and penalties for non-compliance begin**

Virginia Proposed Implementation Timeline

Virginia COMPASS Implementation:

- Unlike Indiana and other states, Virginia will be implementing three large-scale waiver components simultaneously.
- Virginia will be working on the operational design and planning for implementation of the waiver during negotiations with CMS.

Nov. 2018

- Submit waiver to CMS

2019

- *ANTICIPATED* CMS approval of waiver

Demonstration Year 1

- Build systems and go-live with requirements

Demonstration Year 2

- Early in Demonstration Year 2, go-live with penalties for non-compliance

Measuring Success: Reporting and Evaluation

Virginia COMPASS Evaluation Approach

Federal rules require testing and evaluation of the goals of the Section 1115 Waiver's Components

New Waiver Evaluation Hypotheses

Through this demonstration extension, Virginia will have the opportunity to test hypotheses to help refine this demonstration and the development of future programs. For example:

- Members enrolled in the demonstration will secure sustained employment.
- Work and community engagement requirements will not cause Medicaid members to lose Medicaid coverage unless the loss is related to obtaining private coverage.
- Participation in work and community engagement requirements will improve member health and well-being.
- Conditioning coverage on payment of premiums will promote continuous coverage and continuity of care.
- Participation in housing and employment supports will improve member housing and employment stability and health and well-being

Upon approval of Virginia COMPASS, the State will work with CMS to develop an evaluation design.

Measuring Success: Reporting and Evaluation

MOCK Dashboard (Early 2019)

New Health Coverage for Adults

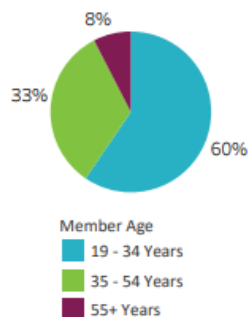
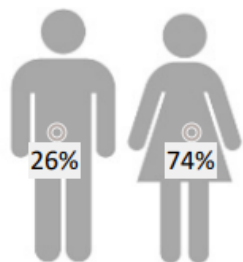
Generated bi-weekly by the Dept of Medical Assistance Services in partnership with Virginia Commonwealth University Department of Social and Behavioral Health.

Overall Enrollment

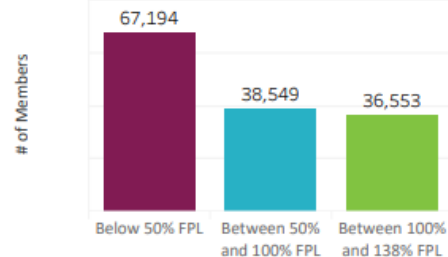
142,296 adults newly enrolled in Medicaid

21,650 newly enrolled adults are parents

Age and Gender of Enrollees



Family Income of Enrollees

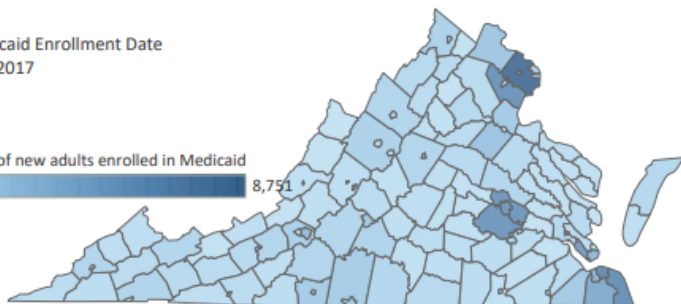


The federal poverty level is \$12,140 annually for a single person or \$20,780 annually for a family of 3.

Adults Enrolled in New Health Coverage by Locality

Medicaid Enrollment Date
5/1/2017

Total number of new adults enrolled in Medicaid
5 8,751



Region

Central	36,692
Charlottesville / Western	18,736
Northern & Winchester	27,199
Roanoke / Alleghany	14,867
Southwest	8,981
Tidewater	35,412
Grand Total	142,296

Measuring Success: Reporting and Evaluation

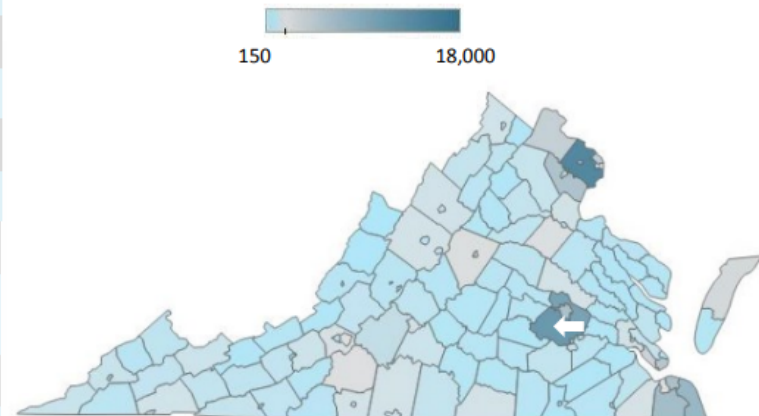
MOCK Dashboard (Late 2019)

New Health Coverage for Adults MOCK DASHBOARD

Health insurance	Details
313,000	Adults enrolled in new health coverage
Primary and preventive care	Details
87,861	Adults who visited a primary care provider or received preventive health care services
Diabetes	Details
8,770	Adults treated for diabetes
High blood pressure	Details
17,769	Adults treated for hypertension
Women's preventive care: mammograms	Details
24,025	Women who have received a mammogram or other diagnostic breast imaging
Preventive care: colon cancer screening	Details
14,015	Adults received colon cancer screening
Mental health	Details
25,424	Adults receiving mental health services
Addiction and recovery treatment services	Details
6,123	Adults receiving addiction and recovery treatment services

New adult Medicaid enrollment by county
As of November 30, 2019

Total number of adults enrolled in new Medicaid health coverage



County name:	Chesterfield
Number of adults enrolled in new health coverage:	15,088
Number of members who had a visit to a primary care provider or received preventive health care services:	6,276
Number of women who have received a mammogram or diagnostic breast imaging:	1,201
Number of adults who received colon cancer screening:	701
Number of adults treated for diabetes:	487
Number of adults treated for high blood pressures:	987
Number of adults receiving mental health services:	1,487
Number of adults receiving addiction and recovery treatment services:	265

Apply For New Adult Coverage Beginning November 1st

How to Apply for Coverage



PHONE

- Cover Virginia Call Center: 1-855-242-8282 (TDD: 1-888-221-1590)
- VDSS Enterprise Call Center: 1-855-635-4370



ONLINE

- Common Help: www.commonhelp.virginia.gov
- The Marketplace: www.healthcare.gov



IN PERSON

- Visit your local Department of Social Services
Find your nearest local department of social services by visiting:
<http://www.dss.virginia.gov/localagency/index.cgi>

Visit the Cover VA Website at www.coverva.org or call [1-855-242-8282](tel:1-855-242-8282) for information and regular updates

Agenda (Continued)

- ✓ **Virginia COMPASS 1115 Demonstration Waiver Components and Process**
- ✓ **Overview of Current Landscape: Workforce Programs & Work Requirements**
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Medicaid Practitioner Expenditures

SERVICE CATEGORY	TOTAL	TOTAL IMPACT OF 1% INCREASE
Emergency Room	\$49,422,482	\$494,225
Obstetrics/ Gynecology	70,572,876	705,729
Adult Preventive & Primary Care	117,372,006	1,173,720
Pediatrics	194,397,254	1,943,973
All Other:	190,909,598	1,909,096
Medicine	83,353,963	833,540
Psych/Mental Health	10,750,766	107,508
Pathology & Laboratory	13,626,922	136,269
Radiology	24,895,422	248,954
Surgery	58,282,525	582,825
Anesthesia	15,235,638	152,356
TOTAL	\$637,909,855	\$6,379,099

PHYSICIAN RATES AS MEDICARE EQUIVALENT (SFY 2018)	
Obstetrics/ Gynecology	87.6%
Surgery	85.1%
Psych/Mental Health	84.8%
Radiology	84.5%
Pathology and Laboratory	84.4%
Medicine	84.0%
Pediatrics	74.9%
Emergency Room	69.8%
Adult Preventive and Primary Care	66.8%
Anesthesia	66.4%

Medicaid Community Nursing Expenditures

SFY 2018 EXPENDITURES (PROJECTED)

	SKILLED NURSING	PRIVATE DUTY NURSING	TOTAL
ID/DD Waivers	\$10,770,253	\$17,818,768	\$28,589,020
CCC Plus Waivers	467,553	33,444,683	33,912,237
EPSDT	-	53,011,543	53,011,543
SFY 2018 TOTAL	\$11,237,806	\$104,274,993	\$115,512,800

Skilled Nursing Benchmarks

