

FOCUS ON THE FUTURE

Board of Medical Assistance Services
FY 17/18 Biennial Report



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LETTER FROM THE BOARD



To Virginia’s Honorable Delegates and Senators:

As Chair of the Board of Medical Assistance Services (BMAS), it is my privilege to present to you this biennial report highlighting the work of Virginia’s Department of Medical Assistance Services (DMAS) and outlining our vision and goals for the next biennium.

We welcome the new Director of DMAS, Jennifer Lee, M.D., who joined DMAS January 15, 2018. Thanks to the General Assembly’s passage of Medicaid Expansion, I am thrilled to be working with Dr. Lee and DMAS staff to ensure that approximately 400,000 more Virginia adults will be able to enroll in quality, low-cost healthcare coverage.

We also welcomed the following four board members: Patricia T. Cook, M.D., Ali Raziuddin, M.D., Kannan Srinivasan, and Vilma T. Seymour.

Thank you for your continued support helping to improve the health and wellbeing of Virginians through access to high value health coverage.

Sincerely,

Karen S. Rheuban, M.D.
Chair, Board of Medical Assistance Services

Board of Medical Assistance Services	FY 17-18 Meeting Dates
Karen S. Rheuban, M.D. (Chair) Peter R. Kongstvedt, M.D. FACP (Vice Chair) Michael H. Cook, Esq. Patricia T. Cook, M.D. Cara L. Coleman, JD, MPH Alexis Y. Edwards Rebecca E. Gwilt, Esq. Maureen S. Hollowell Ali Raziuddin, M.D. Vilma T. Seymour Kannan Srinivasan	September 13, 2016 December 13, 2016 May 9, 2017 June 13, 2017 September 12, 2017 December 12, 2017 April 10, 2018 June 26, 2018 September 25, 2018

Section 32.1-324 of the Code of Virginia requires the Board of Medical Assistance Services (BMAS) to submit a biennial report to the Governor and the General Assembly

LETTER FROM THE DIRECTOR

To Virginia's Honorable Delegates and Senators:

During my first few months with DMAS, Virginia passed new legislation that beginning on January 1, 2019 will expand Medicaid coverage for up to 400,000 Virginians. I am excited to join the Agency at this time of important change. DMAS stands ready to continue strengthening our existing programs while implementing these new initiatives.

In addition to sharing details about Medicaid Expansion, this report highlights key information about the Agency, provides a general overview of the Medicaid members DMAS serves, and details how we support Virginians. Most importantly, this report illustrates where the agency is headed and how DMAS plans to advance its mission and stewardship to the Commonwealth.

Thank you for taking the opportunity to learn more about Virginia's DMAS through this biennial report to the General Assembly. We look forward to continuing to work together to serve our great Commonwealth.

Sincerely,



Jennifer S. Lee, M.D.
Director, Department of Medical Assistance Services

ABOUT THE DIRECTOR



Dr. Jennifer Lee serves as the Director of the Department of Medical Assistance Services, the Virginia state Medicaid agency, responsible for overseeing a \$10 billion budget and providing health coverage for over 1 million Virginians. Previously she served as Deputy Under Secretary for Health for Policy and Services and Senior Advisor to the Secretary at the U.S. Department of Veterans Affairs. There she was responsible for overseeing national policy and leading key initiatives for the Nation's largest integrated health care system, with over 1,200 sites of care serving more than nine million veterans. From 2014-16, Dr. Lee served as Deputy Secretary of Health and Human Resources for Governor Terry McAuliffe. She helped launch his "A Healthy Virginia" plan to improve access to care for people with mental illness and address the opioid crisis through innovative Medicaid waivers and programs, led the Governor's bioscience initiative, and spearheaded new employment opportunities for former combat medics and corpsmen. From 2008-11, she served on the Virginia Board of Medicine. Dr. Lee has also served as a White House Fellow, a health policy fellow on the U.S. Senate Health, Education, Labor, and Pensions Committee, and a Policy Research Scholar and Associate Professor at George Washington University. She received her bachelor's in biophysics and biochemistry from Yale University, her medical degree from Washington University School of Medicine, and completed her residency at Johns Hopkins. She is a board-certified, practicing emergency physician and a fellow of the American College of Emergency Physicians.

MEDICAID EXPANSION

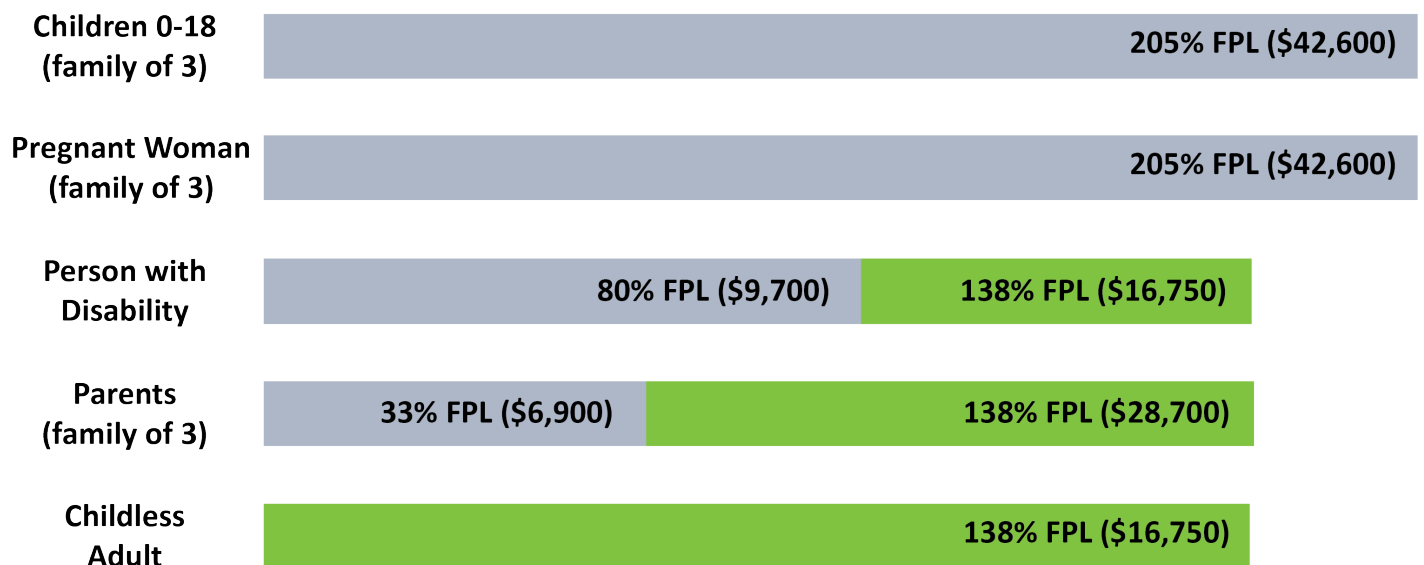
NEW HEALTH CARE COVERAGE FOR ADULTS

Beginning January 1, 2019, many of our neighbors, friends and family members will be eligible for a new health care insurance option that offers quality, low-cost services. This coverage will be available for up to 400,000 adults, including many people who work in retail, construction, childcare, landscaping, food service or other jobs that do not provide health insurance. DMAS stands ready to implement the new adult coverage in 2019.

Under the new guidelines, an applicant must be 19 to 64 years old and cannot receive or be eligible for Medicare. Applicants must also meet certain income requirements. For example, a single adult making at or below \$16,750 annually may be eligible. A parent in a family of three with a household income at or below \$28,700 may also qualify.

The new benefit package will include preventive care, doctor visits, prescriptions, hospital stays, mental health care and more. New coverage will also include care coordination for individuals with complex medical and behavioral health conditions.

New Adult Population



Pre-Expansion Eligibility
 Expansion Eligibility



MEDICAID EXPANSION

DMAS is working closely with our partners to coordinate outreach to Virginians eligible for Medicaid expansion. DMAS already conducts education and outreach events for existing programs, so the Agency will use these established opportunities to share information about this initiative. Advocacy groups are also requesting presentations about the new coverage, and DMAS has trained a group of internal and external ambassadors to speak about Medicaid expansion with stakeholders. Additionally, DMAS makes outreach materials, such as posters, brochures, and presentations available to all stakeholders through the CoverVirginia website. More information on the new coverage for adults is available at www.coverva.org. The website also has a screening tool and informational materials such as Frequently Asked Questions.

In addition to the work of planning and implementing new adult coverage, other recent initiatives position DMAS for successful launch of Medicaid Expansion. DMAS is in the process of revamping the Agency's information management system to improve Medicaid data and analysis. DMAS is also strengthening coverage and improving the delivery of certain Medicaid services, such as the Addiction Recovery Treatment Services (ARTS) benefit, and supporting improved efficiencies and connectivity of critical benefits, like the Emergency Department ED Care Coordination (EDCC) statewide technology solution that connects all emergency departments in the Commonwealth. DMAS is also enhancing managed care programs and expanding key supports like care coordination, which not only helps Medicaid members navigate their care options, but also decreases unnecessary and avoidable care. Together, these ongoing improvement initiatives ready DMAS to successfully care for Virginians newly eligible for Medicaid.

VISIT FROM THE GOVERNOR



The Governor visited DMAS staff on July 11, 2018 to highlight the importance of Medicaid Expansion for Virginians. Governor Northam illustrated the benefits of new adult health coverage for Virginia, remembering his patients who had struggled to obtain affordable health care.

DMAS Director, Dr. Lee, commended DMAS staff for their effort to ensure that the Commonwealth would be ready to enroll individuals in the new coverage for adults beginning in January 2019.



As a doctor and a public servant, I believe making sure all Virginians have the access to the care they need to be healthy and productive is both a moral and economic imperative.

-Governor Ralph Northam



WHO WE ARE

MISSION AND VALUES

DMAS exists ***to improve the health and well-being of Virginians through access to high quality health care coverage.*** This is the agency mission statement, developed in July 2018 through a collaborative and agency-wide effort. During this time of important change, the Agency came together to examine and articulate DMAS' contribution to the Commonwealth. DMAS leadership engaged staff across all divisions to solicit feedback on the Agency's mission and identify key values that describe the agency when it is functioning at its best.

DMAS staff provided thoughtful and detailed responses from individuals and teams – ultimately crafting this mission statement and selecting the following value statements:



**We value
SERVICE**

We are committed to serving all who are touched by our system with caring, integrity, and respect.



**We value
COLLABORATION**

We value professional, respectful cooperation to achieve a common goal. We recognize diverse perspectives where everyone's input is welcome.



**We value
TRUST**

We are continuously building a culture that is honest, supportive, and fosters integrity.



**We value
ADAPTABILITY**

We work together to anticipate and embrace change to meet Virginia's health care needs.

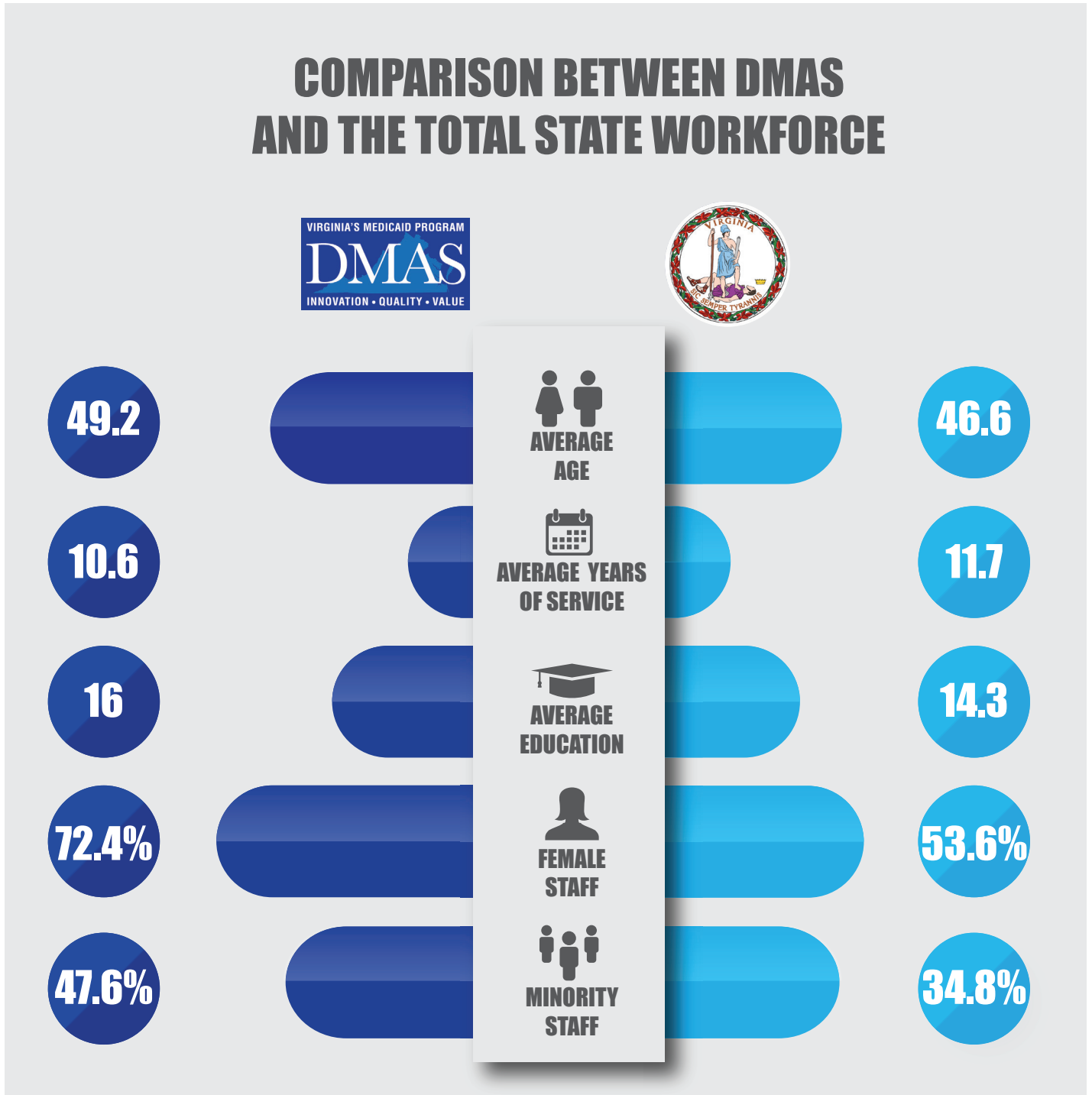


**We Value
PROBLEM SOLVING**

We promote problem solving processes and respond to challenges with a forward-thinking approach. We readily meet opportunities to improve and value processes that welcome many perspectives.

DMAS STAFF STATISTICS

DMAS staff mirrors the composition of State employees closely in terms of average age, years of service, and distribution between salaried and wage employees. However, DMAS staff differ from the overall distribution of State employees in some important areas. On average, DMAS staff have a higher level of education. DMAS also has a significantly higher number of minority employees and a substantially higher number of female employees. The table below provides the comparison between DMAS and the total State workforce:





RAM CLINIC

DMAS staff are truly committed to service, endeavoring to instill our work with a sense of caring, generosity and respect towards our members both in our official capacity and by volunteering for community service across the state. For example, DMAS Director, Dr. Jennifer Lee, led a group of 23 DMAS staff to Wise County in July 2018 to participate in the Remote Area Medical (RAM) clinic.

RAM is a non-profit organization that operates mobile medical clinics delivering free dental, vision, and medical services to underserved and uninsured individuals. In 2017, RAM held clinics in 11 states and four other countries. RAM's Corps of over 120,000 volunteers have treated more than 740,000 people, delivering \$120 million worth of free health care services.

DMAS staff provided assistance to the Wise County RAM clinic July 20-22. Dr. Lee attended as a volunteer physician and other DMAS staff helped provide general support in the following areas: registering patients, helping with the traffic flow, making eyeglasses, and serving food to patients and volunteers.



EMPLOYEE ENGAGEMENT SURVEY

With the launch of the OnTheSquare Initiative in Spring 2018, Governor Northam announced his commitment to engaging and retaining a talented workforce of public servants. In response to the Administration's emphasis on employee engagement, DMAS is also rolling out new employee engagement strategies.

"When our employees are happy and healthy, the citizens of the Commonwealth also benefit."

***-Governor
Ralph Northam***

To start, DMAS Senior Leadership wants to understand the current engagement level of its employees and create opportunities that involve employees in strategic planning. This Fall, DMAS will ask staff to participate in a survey designed to gather baseline data on current employee engagement levels and seek feedback from employees on HR practices, work environment, professional development, and employee well-being. DMAS will analyze survey results and use this insight to identify areas for improved staff engagement and develop ways to track changes in employee engagement over time.

MENTORING PROGRAM

Mentoring is another key factor in developing an engaged workforce that builds loyalty, and helps employees excel in their jobs. As a part of its comprehensive employee engagement strategy, DMAS is launching a mentoring program this Fall that will match interested employees with high-performing DMAS mentors.

The mentoring program will give both mentors and mentees opportunities for professional and personal growth. Mentors help employees learn about the agency, develop relationships in the agency, and identify opportunities to advance skills. Mentors also benefit from the opportunity to share their knowledge, often developing a deep sense of personal satisfaction from the mentor-mentee relationship. The program also signals DMAS' commitment to invest in employees, cultivate talent, and promote a positive work environment.



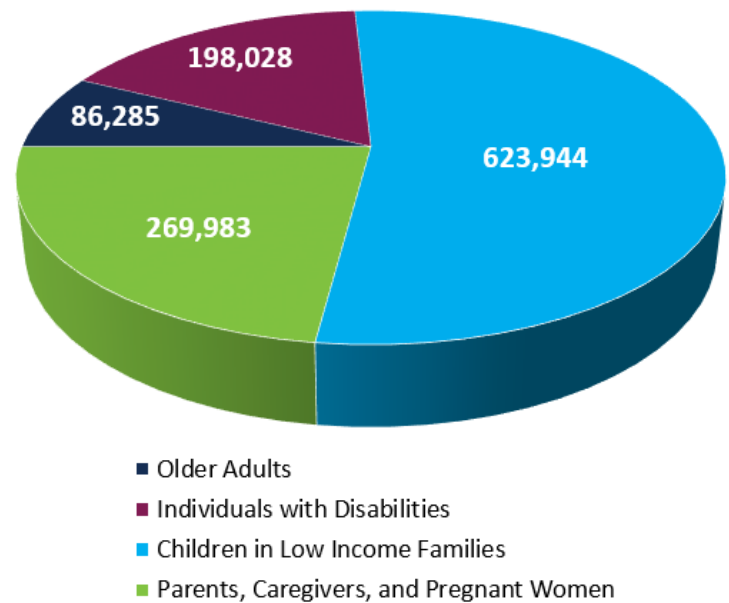
WHO AND HOW WE HELP

MEDICAID POPULATIONS AND SERVICES

Medicaid serves a critical role in the lives of over a million Virginians, providing access to health care for the most vulnerable. Currently, Medicaid is available to Virginians with low incomes who also meet specific eligibility criteria, including children, pregnant women, parents, older adults, and individuals with disabilities.

Virginia Medicaid plays a major role in the care of children, older adults, and individuals with disabilities. Medicaid covers services such as inpatient hospitalization, outpatient services, emergency treatment, maternity and prenatal care, pediatric care, behavioral health, and prescription drugs. Virginia Medicaid coverage also extends far beyond traditional health coverage to include comprehensive pediatric screening and treatment, behavioral health and long-term services and supports (LTSS).

Coverage in Virginia SFY 18



JAMES' STORY



James enrolled in Medicaid to help him manage his multiple chronic health conditions. After a series of medical events and a hospitalization, James found himself unable to walk. He went to live in a nursing facility because he was not certain he could live independently anymore. However, when he met with Carol, the Care Coordinator from his Medicaid health plan, he asked her for help to plan his transition back to the community. Carol mobilized the health plan's Care Transition Team and engaged staff at the nursing facility to support James' plan. Together they coordinated affordable housing, funding for a security deposit and first month's rent, home furnishings, food, home health services, physical therapy, occupational therapy, a wheel chair and other medical equipment. James was so excited to move into his new apartment! Home health helped him regain strength in his legs and James is now able to enjoy getting out of his home to meet neighbors and shop in his new community. This is one example of DMAS accomplishing its goal of helping individuals who want to move from institutionalized care to a community setting.

HOW MEDICAID DELIVERS CARE

The majority of Medicaid members receive care through the Managed Care Program. Managed Care focuses on improving quality, access and efficiency for Medicaid members through contracted commercial health plans.

Consistent with Virginia General Assembly directives, DMAS is moving forward with initiatives to expand principles of care coordination to all geographic areas, populations, and services under Medicaid programs. Care coordination promotes high value health care by assessing patient needs, locating and obtaining needed services and supports, coordinating services with providers and family members, monitoring patient progress, and providing training and counseling services. The expansion of care coordination will be based on the principles of shared financial risk such as shared savings, performance benchmarks, and improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures. The Managed Care Program will now be aligned to serve multiple populations through the Medallion 4.0 and the Commonwealth Coordinated Care Plus programs described below.






The Medallion program provides high-quality care for the Commonwealth's pregnant moms, children, and caretaker adults. Building on more than 20 years of success, Medallion launched the third iteration of its program, Medallion 4.0, in 2018. Medallion 4.0 covers approximately 740,000 Medicaid and Family Access to Medical Insurance Security (FAMIS, Virginia's CHIP Program) members who have a choice of six (6) health plans in each region, and will also serve as the platform, along with Commonwealth Coordinated Care Plus (CCC Plus) for access to care for the new adult population.



Commonwealth Coordinated Care Plus (CCC Plus) is a statewide Medicaid managed long-term services and support program that serves approximately 210,000 individuals with complex care needs through an integrated delivery model, across the full continuum of care. Care management is at the heart of the CCC Plus high-touch, person-centered program design. CCC Plus includes Medicaid members who are enrolled in the Medicaid and Medicare programs (dual eligible), receive Medicaid long-term services and supports (LTSS) in a facility or through one of the home and community-based waiver programs, are elderly, or have a disability.

DELIVERY SYSTEMS FOR MEDICAID MEMBERS

	Delivery System
 <p>Children Every baby deserves a healthy start and DMAS focuses on keeping children healthy through the Medicaid and the Family Access to Medical Insurance Security (FAMIS) programs. Medicaid and FAMIS cover the medical and dental care that growing children need.</p>	Medallion 4.0
 <p>Pregnant Women Good health care during pregnancy is important for both mother and baby. The FAMIS Moms Program assists pregnant women with regular prenatal and dental care to increase the likelihood for healthy birth outcomes.</p>	Medallion 4.0
 <p>Older Adults and Disabled Virginians Medicaid is the primary payer for long term for Virginians with disabilities and those who are aging. The use of home and community based waivers allow individuals to receive the care and support in the setting of their choosing.</p>	Commonwealth Coordinated Care Plus
 <p>New Adult Population Beginning January 2019, more adults living in Virginia will have access to quality, low-cost health insurance. The new coverage includes hospital stays, doctor visits, preventive care, prescription drugs, and more.</p>	Medallion 4.0 & Commonwealth Coordinated Care Plus

MICHAEL'S STORY



Michael was 16 years old when he suffered a nearly fatal accidental shooting. His chances for survival were low and it was unlikely he would be able to walk again if he did survive. Despite the odds, Michael's condition remained stable and he started showing signs of improvement. His physical abilities remained limited, however, and he was unable to meet the traditional criteria that would qualify him for an intensive rehabilitation facility. That is when Michael and his family met Christina, the nurse with his Medicaid health plan. Christina gathered compelling video of Michael in his physical therapy sessions and was able to arrange placement in an acute rehab facility for a 30-day trial. Michael demonstrated a tremendous level of recovery, continuing to improve his condition until he was able to walk with a walker and transitioned home with outpatient therapy. Michael is on schedule to graduate high school and his goal is to walk across the stage to receive his diploma.

CONTINUOUS IMPROVEMENT INITIATIVES



Performance Scorecard

At a time of significant growth and change for Medicaid in Virginia, it is critical to have strategies and tools in place to monitor progress towards Agency goals. A key tool for monitoring DMAS performance and promoting operational efficiency is the DMAS Performance Scorecard.

The Scorecard is comprised of quality metrics that highlight essential functions across DMAS divisions. To develop the Scorecard, the DMAS Management Team collaborated with a BMAS board member who has expertise in performance measurement to design quality metrics critical to Agency success. DMAS leadership review the Scorecard weekly to monitor Agency progress and advance DMAS stewardship.



Member Engagement

Another key initiative focuses on engaging Medicaid members to share feedback about their Medicaid experience. Due to the nature of managed care, contracted health plans, eligibility professionals, and health care providers conduct much of the direct interaction with Medicaid members. DMAS recognizes it can improve its programs by engaging the expertise of its members more directly. As a result, DMAS is initiating a Medicaid Member Advisory Committee.

The Medicaid Member Advisory Committee brings together a diverse sample of Medicaid members to test new ideas and gain insight into the Medicaid member experience. Feedback received from the Committee will inform DMAS decision-making and support program improvements.



DMAS Website

The Agency's website is a critical communication tool because it is the first place many people go to learn about Virginia Medicaid. The DMAS site also serves as a gateway to portals that support Medicaid data, enrollment, and eligibility systems. To make its online services as seamless and intuitive as possible, DMAS launched a new website in June 2018.

The new site features user-friendly navigation, mobile compatibility, and a flexible framework. The site promotes online self-service, which is key to improving user experience, increasing efficiency, containing administrative costs, and promoting the appropriate availability and use of public data.

BY THE NUMBERS

DMAS' base budget is currently funded with approximately 45 percent state general funds and 55 percent non-general funds. The non-general funds are comprised of Federal Funds (largest source), the Virginia Health Care Fund, the Family Access to Medical Insurance Security (FAMIS) Trust Fund and other special funds. The Federal Medical Assistance Percentage (FMAP) rate for the Virginia Medicaid program is currently 50 percent. In 2019, DMAS will also be able to utilize amounts collected from a provider assessment established in the 2018 General Assembly to offset the state cost of Medicaid Expansion. DMAS will utilize general funds and provider assessment collections to provide matching state funds required by the federal government for federal funding.

EXPENDITURES

Virginia administers Medicaid efficiently. The majority of the DMAS budget pays for member services with less than 3 percent of total expenditures (for FY 2018) allocated to administrative expenses. Approximately, 67 percent of these administrative expenditures are for private contractors. In 2016, the Joint Legislative Audit and Review Commission (JLARC) recognized DMAS for strong procurement and contract management practices that ensure delivery of high performance services.

SFY 2018 Total DMAS Expenditures By Fund

Fund Name	FY2018
General Fund	\$4,830,161,343
Special Fund	\$416,989,037
Federal Fund	\$5,558,852,540
Total	\$10,806,002,920

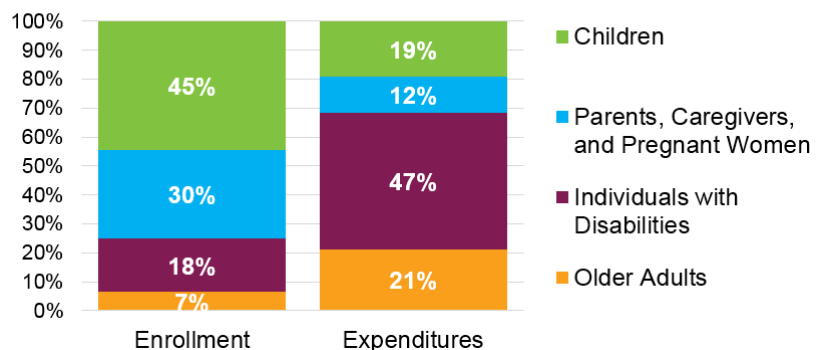
Virginia's Medicaid spending per capita is consistently lower than the majority of other states. While enrollment has increased, spending growth has changed at a rate similar to other states. Although increases in enrollment have been the primary driver of spending increases, other factors affecting expenditures include, health care cost inflation, advances in health care technology and program changes directed by federal and state law. Enrollment in Virginia's Medicaid program continues to increase in all eligibility categories, with children's enrollment growing the fastest.

Approximately 90 percent of those eligible for Virginia Medicaid are currently accessing Medicaid services. Virginia can expect to see changes in Medicaid enrollment rates when there are changes in the Virginia economy that increase rates of un-insurance or new policies affecting program eligibility. Because of Medicaid Expansion, DMAS anticipates up to 400,000 Virginians will be eligible for coverage effective January 1, 2019.

QUICK FACT

Children and parents comprise almost 70 percent of Medicaid beneficiaries, but account for less than a third of Medicaid spending. Older adults and individuals with disabilities account for the majority of Medicaid spending because of their intensive use of acute, behavioral health, and long-term services and supports.

Medicaid Enrollees and Expenditures SFY 2018





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