

Virginia – Request to Amend 11-W-00297/3
Virginia Governor’s Access Plan for the Seriously Mentally Ill (GAP) Demonstration and
Addiction and Recovery Treatment Services (ARTS) Delivery System Transformation
Demonstration

In accordance with the Special Terms and Conditions agreed to by both the Centers for Medicare and Medicaid Services (CMS) and the Virginia Department of Medical Assistance Services (DMAS), DMAS hereby submits the following requested amendment to the Governor’s Access Plan for the Seriously Mentally Ill (GAP) Demonstration and Addiction and Recovery Treatment Services (ARTS) Delivery System Transformation Demonstration. The following amendment is structured in accordance with paragraph 7 of the Special Terms and Conditions.

- a) An explanation of the public process used by the state, consistent with the requirements of paragraph 15 (Tribal Consultation), to reach a decision regarding the requested amendment;

In accordance with the requirements set forth in paragraph 15, the department has submitted written notification of this amendment to the Pamunkey Indian Tribe on March 29, 2017. The notification included a description of the proposed amendment, the purpose of the amendment and the anticipated impact on Tribal members. The notification also includes a description of how Tribal representatives can provide comments or ask questions and when those comments are due. The notification can be found in Attachment B.

- b) A data analysis which identifies the specific “with waiver” impact of the proposed amendment on the current budget neutrality agreement. Such analysis shall include current total computable “with waiver” and “without waiver” status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the “with waiver” expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment;

Please see accompanying excel spreadsheet: VA GAP FPL FormFC ARTS BN.xlsx

- c) An up to date CHIP allotment neutrality worksheet, if necessary;

Not applicable

- d) A detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation;

During Virginia’s 2017 legislative session, members of the House and Senate came together during the budget conference process and agreed upon a proposal that was ultimately approved by both chambers of the legislature and sent to the Governor for his signature. As an action of the Virginia legislature, this process was public and receives both formal and informal participation and monitoring by advocates, stakeholders, and state staff. Many advocates in Virginia voiced their approval of the decision to open program eligibility requirements and the addition of services.

Pertaining to the outlined process for determining the need for this amendment, the budget language dictating the specific eligibility parameters and added services can be found in Attachment A. A brief description of the changes follow:

1. Effective October 1, 2017, individuals with serious mental illness who apply to the program and meet other eligibility criteria may have a household income up to 105% (100+5% income disregard) of the federal poverty level (FPL). DMAS has estimated that by December 1, 2019 an additional 1,953 individuals will be eligible for GAP by as a result of this increase.
2. Also effective October 1, 2017, individuals enrolled in the GAP program will be able to access additional substance use disorder (SUD) services including partial day hospitalization, and residential treatment services. Partial Hospitalization Services (ASAM Level 2.5) is the same as described in section 67 (page 39) of the Standard Terms of Condition document for this demonstration. Residential treatment (ASAM Levels 3.1 through 3.7) is the same as described in section 67 (page 40) of the Standard Terms of Condition document for this demonstration.

Analysis of GAP enrollees shows that in Year 2 of the Demonstration, 851 (7%) of members have utilized treatment for their substance use. This is based on claims data for GAP members after enrollment in GAP. This is an increase of 2% from Year 1 of the Demonstration. Additionally, Virginia, like other states, is in the midst of a substance use crisis. In response to the epidemic, the Governor and General Assembly have taken the recommendation of the bipartisan Task Force on Prescription Drug and Heroin Addiction to increase access to treatment.

3. Effective July 1, 2017 peer supports will be provided as a reimbursable service. GAP members have had access to peers supports as part of the administrative functions of our contracted Behavioral Health Service Administrator, Magellan, since the beginning of the demonstration. However, at that time the state did not have the proper licensing and accreditation functions in place to support peers as a state plan service. As noted in Attachment B the state intended to move peers to a reimbursable service as soon as those supports were in place and the state plan amendment was approved. The state plan amendment was approved for services starting statewide on July 1, 2017.

DMAS will work with the existing contractors and the existing local community services boards and other preferred pathway partners to ensure that these individuals have supports and information needed to continue to apply for GAP eligibility. The General Assembly added additional funding to cover the cost associated with increased GAP applications. This amendment can also be found in Attachment A.

- e) If applicable, a description of how the evaluation design will be modified to incorporate the amendment provisions.

The GAP demonstration evaluation design will not need to be modified as a result of these amendment provisions as it currently includes a HEDIS measure related to substance use treatment.

APPENDIX A

Item 306 #8c

First Year - FY2017	Second Year - FY2018
\$0 GF	\$2,017,088 GF
\$0 NGF	\$2,017,088 NGF

Health and Human Resources

Language:

Page 284, line 40, strike "\$9,714,745,576" and insert "\$9,718,779,752".

Page 306, line 26, after "2016", insert: "and from 80 to 100 percent of the federal poverty level effective October 1, 2017".

Page 306, line 27, before "The department", insert: "Effective October 1, 2017, the department shall amend the Medicaid demonstration project to include the provision of addiction recovery and treatment services, including partial day hospitalization and residential treatment services."

Explanation:

(This amendment adds \$2.0 million from the general fund and \$2.0 million in federal matching Medicaid funds the second year to modify the income eligibility criteria for the Medicaid demonstration waiver program for adults with serious mental illness in Medicaid from 80 to 100 percent of the federal poverty level effective October 1, 2017. The waiver provides primary care, outpatient medical services, and prescription drugs, along with a robust set of behavioral health services to adults with serious mental illness. In addition, language adds addiction recovery and treatment services, including partial day hospitalization and residential treatment to those services already provided through the waiver. A companion amendment in Item 310 provides additional funding for the GAP expansion for mental health screenings and attendant administrative costs.)

Item 310 #5c

First Year - FY2017	Second Year - FY2018
\$0 GF	\$111,521 GF
\$0 NGF	\$280,052 NGF

Health and Human Resources

Language:

Page 312, line 42, strike "\$222,406,344" and insert "\$222,797,917".

Explanation:

(This amendment adds \$111,521 from the general fund and \$280,052 in enhanced federal Medicaid matching funds for the administrative costs associated with expanding the Medicaid demonstration waiver program for adults with serious mental illness (GAP) from 80 percent to 100 percent of the federal poverty level effective October 1, 2017. Funding will be used for additional mental health screenings, eligibility processing and other related administrative costs. A companion amendment in Item 306 provides funding for the GAP expansion.)

APPENDIX B



COMMONWEALTH of VIRGINIA *Department of Medical Assistance Services*

Cynthia B. Jones, Director
Va. Dept. of Medical Asst. Services
600 East Broad Street
Richmond, VA 23219

March 29, 2017

Robert Gray
Chief, Pamunkey Indian Tribe
191 Lay Landing Rd
King William, VA 23086

Dear Chief Gray:

This letter is to notify you that the Department of Medical Assistance Services (DMAS), working in tandem with the Department of Behavioral Health and Developmental Services, is submitting a waiver amendment to the Centers for Medicare and Medicaid Services (CMS). This change concerns the Governor's Access Plan (GAP) for the Seriously Mentally Ill, which was launched in January 2015. This Medicaid benefit plan offers limited coverage for health care and behavioral health services.

I have attached a Fact Sheet that explains the current eligibility criteria, services and application process. The 2017 Virginia General Assembly changed the income eligibility criteria effective October 1, 2017. They increased the criteria from 80% of the federal poverty level to 100% of the federal poverty level. The General Assembly also added additional substance use disorder services to the list of covered services. DMAS anticipates that this change will expand the number of tribal members who may be eligible for services under the GAP program, and the number of services for which they would be eligible. The services added are peer supports, partial day hospitalization and residential treatment services. DMAS intends to amend our GAP Medicaid waiver to reflect the income eligibility change and the added services.

The federal rules provide for a 30-day tribal comment period for this type of notice. DMAS intends to submit the proposed waiver amendment request to CMS by May 1, 2017 and asks that comments related to this notice be provided by April 31, 2017. If you or any other tribal members wish to provide input on the proposed amendment, questions or comments may be sent directly to DMAS via Sherry Confer at Sherry.Confer@dmas.virginia.gov or via her phone at 804-371-2484.

Sincerely,

Cynthia B. Jones

Virginia – Request to Amend

Virginia Governor's Access Plan for the Seriously Mentally Ill (GAP) Demonstration and Addiction and Recovery Treatment Services (ARTS) Delivery System Transformation Demonstration to include Medicaid Coverage for Out of State Former Foster Care Youth

Section I - Program Description

The Affordable Care Act created a new mandatory Medicaid eligibility group section 1902(a)(10)(A)(i)(IX) of the Act to provide an opportunity for former foster care youth to obtain Medicaid coverage until age 26 from the state responsible for the individual's foster care. On January 22, 2013, the Centers for Medicare and Medicaid Services (CMS) issued a notice of proposed rulemaking, that proposed to implement the former foster care group in regulations at 42 CFR 435.150 and gave states the opportunity to cover youth who were in foster care under the responsibility of another state and aged out at age 18, but now were living in a new state. Virginia opted to cover youth who were now living in Virginia, but had received their foster care and Medicaid in a different state and implemented coverage for both groups of youth on January 1, 2014. On November 21, 2016, CMS published a new final rule which changed the eligibility requirements for the out of state former foster care youth. As a result of this new rule, Virginia no longer has the authority to cover the former foster care youth from out of state under the State Plan. However, CMS did give states the option to continue to cover these youth under a section 1115 demonstration. Virginia would like to amend its current section 1115 demonstration, GAP, to cover the former foster care youth who were in foster care and Medicaid on their 18th birthday in a different state and who have now moved to Virginia.

The purpose of this statewide demonstration is to provide Medicaid coverage to former foster care youth who aged out of foster care under the responsibility of another state (and were enrolled in Medicaid while in foster care), and are now applying for Medicaid in Virginia. The expected impact of this demonstration is that Virginia will increase and strengthen overall coverage of former foster care youth and improve health outcomes for these youth.

The demonstration goals that will be tested are as follows:

- Ensure access to Medicaid services for former foster care individuals between the ages of 18 and 26, who previously resided in another state, and
- Improve or maintain health outcomes for this population.

This demonstration will not affect or modify other components of Virginia’s current Medicaid or CHIP programs.

Section II – Demonstration Eligibility

The population affected by this demonstration will be former foster care youth who were in foster care under the responsibility of another state and enrolled in Medicaid at age 18 or when they “aged out”, have now moved to Virginia and are not eligible in any other mandatory Medicaid group. There is no income or resource test for this group.

Eligibility Chart

Mandatory State Plan Groups

Eligibility Group	Social Security Act and CFR Citations	Income level
Former Foster Care youth who were under the responsibility of another state and receiving foster care and Medicaid at age 18 or older	1115 Demonstration	n/a

Standards and methodologies do not differ from what is already in the Virginia State Plan for Medical Assistance. The projected number of individuals who will be eligible for the demonstration is approximately 9 per month. The projection is based on the current number of enrollees under the Medicaid State Plan. Currently, there are 9 former foster care youth currently receiving Medicaid in Virginia who received their foster care and Medicaid in a different state at age 18.

There are no changes to eligibility procedures for this population.

Section III – Demonstration Benefits and Cost-Sharing Requirements

Benefits provided to this population will be the same benefits provided to Virginia’s current Medicaid population under the State Plan.

1. Indicate whether the benefits provided under the Demonstration differ from those provided under the Medicaid and/or CHIP State Plan:
 - a. Benefits do not differ from the Medicaid and/or CHIP State Plan
2. Indicate whether the cost sharing requirements under the Demonstration differ from those provided under the Medicaid and/or CHIP State Plan:

- a. Cost sharing requirements do not differ from the Medicaid and/or CHIP State Plan

Section IV – Delivery System and Payment Rates for Services

The health care delivery system for Demonstration participants will be no different than the delivery system in place today for the Virginia Medicaid population.

1. Indicate whether the delivery system used to provide benefits to Demonstration participants will differ from the Medicaid and/or CHIP State Plan:
 - a. The delivery system will not differ from Medicaid and/or CHIP State Plan

Section VI- Implementation of Demonstration

Virginia currently provides coverage to former foster care youth from out of state under our State Plan. As authority no longer exists for Virginia continue State Plan coverage, we are requesting section 1115 demonstration authority so that these individuals can continue to be covered. There will not be a phased-in approach as this program will operate state-wide from date of implementation. There will be no change to current eligibility, enrollment or notification procedures from current practice. No change will be needed to current managed care organization contracts. Virginia will switch to the 1115 Demonstration authority as of the date the Demonstration is approved.

Section VI – Demonstration Financing and Budget Neutrality

Attached

Section VII – List of Proposed Waivers and Expenditure Authorities

Waiver authorities are not applicable because Virginia is requesting section 1115(a)(2) expenditure authority to cover these youth.

Virginia requests the following expenditure authority: Expenditures for full Medicaid state plan benefits for former foster care youth who are under age 26, were in foster care under the responsibility of a state

or tribe from any state on the date of attaining 18 years of age or such higher age as the state has elected, and were in enrolled in Medicaid on that date.

Section VII – Public Notice

In accordance with the requirements set forth in paragraph 15, the department submitted written notice of this amendment to the Pamunkey Indian Tribe on May 9, 2017. The notification included a description of the proposed amendment and the purpose of the amendment. The notification also includes a description of how Tribal representatives can provide comments or ask questions and when those comments are due. The notification can be found in Appendix “C”

Appendix C

Brian McCormick, Director
Division of Policy & Research
Va. Dept. of Medical Asst. Services
600 East Broad Street
Richmond, VA 23219

May 9, 2017

Robert Gray
Chief, Pamunkey Indian Tribe
191 Lay Landing Rd
King William, VA 23086

This letter is to notify you that the Department of Medical Assistance Services (DMAS), working in tandem with the Department of Behavioral Health and Developmental Services, is submitting a waiver amendment to the Centers for Medicare and Medicaid Services (CMS). This change concerns the Governor's Access Plan (GAP) for the Seriously Mentally Ill, which was launched in January 2015. This Medicaid benefit plan offers limited coverage for health care and behavioral health services.

The 2017 Virginia General Assembly changed the income eligibility criteria effective October 1, 2017. They increased the criteria from 80% of the federal poverty level to

100% of the federal poverty level. The General Assembly also added additional substance use disorder services to the list of covered services. The services added are peer supports, partial day hospitalization and residential treatment services. DMAS intends to amend our GAP Medicaid waiver to reflect the income eligibility change and the added services. In addition, DMAS is making changes to the GAP at the direction of CMS, to include in the GAP waiver coverage for Former Foster Care youth who aged out of the program at age 18. Since they will be covered under the amended waiver these individuals will be able to continue to receive Medicaid until they are age 26 without the need for an income or resource test.

I hope that this notice has provided information that is helpful to you and your members. The federal rules provide for a 30-day tribal comment period for this type of notice. If you or any of the Tribal members wish to submit comments related to this notice, questions or comments may be sent directly to my e-mail address: Brian.McCormick@dmas.virginia.gov or via my direct phone at 804-371-8856. I may also be reached at the postal address noted above.

Thank you Chief Gray.

Brian McCormick

DMAS Policy Division

HEALTH INSURANCE FLEXIBILITY AND ACCOUNTABILITY DEMONSTRATION COST DATA

	A	B	C	D	E	F	G	H	I	J	K	L
1	DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS											
2												
3												
4	ELIGIBILITY	TREND	MONTHS	BASE YEAR	TREND	DEMONSTRATION YEARS (DY)					TOTAL	
5	GROUP	RATE 1	OF AGING	DY 00 (CY14)	RATE 2	DY 01 (CY 15)	DY 02 (CY16)	DY 03 (CY 17)	DY 04 (CY18)	DY 05 (CY19)	WOW	
6												
7	Non-LTC Disabled Adults with SMI											
8	Pop Type:	Medicaid										
9	Eligible Member Months	4.9%	6	1,008,513	4.9%	1,057,426	1,108,711	1,162,484	1,218,864	1,277,979		
10	PMPM Cost	4.6%	6	\$1,731.41	4.6%	\$1,811.05	\$1,894.36	\$1,981.50	\$2,072.65	\$2,167.99		
11	Total Expenditure			\$1,746,150,082		\$ 1,915,051,787	\$ 2,100,298,546	\$ 2,303,461,873	\$ 2,526,279,263	\$ 2,770,646,354	\$ 11,615,737,822	
12												
13												
14												
15												
16												
17												
18												
19												

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	DY 00 (CY 14)	DEMO TREND RATE	DEMONSTRATION YEARS (DY)					TOTAL WW
			DY 01 (CY 15)	DY 02 (CY 16)	DY 03 (CY 17)	DY 04 (CY 18)	DY 05 (CY 19)	
Non-LTC Disabled Adults with SMI								
Pop Type:	Medicaid							
Eligible Member Months	1,008,513	4.9%	916,442	850,698	1,024,967	1,038,339	1,076,329	
PMPM Cost	\$ 1,731.41	4.6%	\$ 1,969.68	\$ 2,103.43	\$ 2,200.19	\$ 2,301.40	\$ 2,407.26	
Total Expenditure	\$ 1,746,150,082		\$ 1,805,096,706	\$ 1,789,381,674	\$ 2,255,121,997	\$ 2,389,632,236	\$ 2,591,003,378	
\$ 10,830,235,991								
GAP Population								
Pop Type:	Expansion							
Eligible Member Months	-	3.70%	36,902	92,686	137,517	180,526	201,650	
PMPM Cost	\$ 650.00		\$ 416.05	\$ 430.22	\$ 450.53	\$ 471.16	\$ 489.18	
Total Expenditure	\$ -		\$ 15,353,077	\$ 39,875,371	\$ 61,955,975	\$ 85,057,398	\$ 98,643,248	
\$ 300,885,068								
Former Foster Care Transfers from Out of State								
Pop Type:	Expansion							
Eligible Member Months	3	5.00%	56	91	108	108	108	
PMPM Cost	\$ 261.29		\$ 430.34	\$ 462.90	\$ 489.60	\$ 514.08	\$ 539.78	
Total Expenditure	\$ 784		\$ 24,099	\$ 42,124	\$ 52,877	\$ 55,521	\$ 58,297	
\$ 232,918								
SUD Waiver Services Recipients								
Pop Type:	Expansion							
Eligible Member Months	6,709.50	5.10%	-	-	628	879	922	
PMPM Cost	\$ 6,709.50		\$ -	\$ -	\$ 6,709.50	\$ 7,051.68	\$ 7,411.32	
Total Expenditure			\$ -	\$ -	\$ 4,213,566	\$ 6,198,431	\$ 6,833,237	
\$ 17,245,234								

\$ 11,148,599,211 TOTAL WW COSTS

NOTES

For a per capita budget neutrality model, the trend for member months is the same in the with-waiver projections as in the without-waiver projections. This is the default setting.

28,428

69

412

Budget Neutrality Summary

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01 (CY 15)	DY 02 (CY 16)	DY 03 (CY 17)	DY 04 (CY 18)	DY 05 (CY 19)	
<u>Medicaid Populations</u> Non-LTC Disabled Adults with SMI	\$ 1,915,051,787	\$ 2,100,298,546	\$ 2,303,461,873	\$ 2,526,279,263	\$ 2,770,646,354	\$ 11,615,737,822
<u>Medicaid Populations</u> SUD Waiver Services Recipients	\$ -	\$ -	\$ 4,213,566	\$ 6,198,431	\$ 6,833,237	\$ 17,245,234
TOTAL	\$ 1,915,051,787	\$ 2,100,298,546	\$ 2,307,675,439	\$ 2,532,477,693	\$ 2,777,479,591	\$ 11,632,983,056

With-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01 (CY 15)	DY 02 (CY 16)	DY 03 (CY 17)	DY 04 (CY 18)	DY 05 (CY 19)	
<u>Medicaid Populations</u> Non-LTC Disabled Adults with SMI	\$ 1,805,096,706	\$ 1,789,381,674	\$ 2,255,121,997	\$ 2,389,632,236	\$ 2,591,003,378	\$ 10,830,235,991
<u>Expansion Populations</u> GAP Population	\$ 15,353,077	\$ 39,875,371	\$ 61,955,975	\$ 85,057,398	\$ 98,643,248	\$ 300,885,068
<u>Expansion Populations</u> Former Foster Care Transfers from Out of State		\$ 42,124	\$ 52,877	\$ 55,521	\$ 58,297	\$ 208,819
<u>Expansion Populations</u> SUD Waiver Services Recipients	\$ -	\$ -	\$ 4,213,566	\$ 6,198,431	\$ 6,833,237	\$ 17,245,234
TOTAL	\$ 1,820,449,783	\$ 1,829,299,168	\$ 2,321,344,415	\$ 2,480,943,585	\$ 2,696,538,161	\$ 11,148,575,112
VARIANCE	\$ 94,602,003	\$ 270,999,377	\$ (13,668,975)	\$ 51,534,108	\$ 80,941,431	\$ 484,407,944