



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CYNTHIA B. JONES
DIRECTOR

April 20, 2016

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Felix Milburn
Project Officer
Centers for Medicare & Medicaid Services (CMS)
Center for Medicaid and Chip Services (CMCS)
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Milburn,

On behalf of the Commonwealth of Virginia, we are submitting a request to amend our Medicaid waiver #11 – W – 00297/3, the Virginia Governor's Access Plan (GAP) for the Seriously Mentally Ill (GAP) Demonstration. Our General Assembly, with the Governor's support, approved budget amendments that increased the financial eligibility criteria from 60% of the Federal Poverty Level to 80% of the Federal Poverty Level. While the Governor has yet to sign the full budget bill, we anticipate that the GAP amendment will stand with no changes.

I have attached a document that summarizes how we see the amendment impacting the Statement of Terms and Conditions for the waiver. The attachment also includes the budget amendment language for your reference. If you have any questions about our waiver amendment request, please contact my staff, Sherry Confer (Sherry.Confer@dmas.virginia.gov or (804) 371-1002) who is our lead staff for GAP.

In addition, per the Statement of Terms and Conditions for the waiver, we are requesting to extend the demonstration beyond Demonstration Year 2. We understand that this request is required 6 months prior to the end of the Demonstration Year 2.

Thank you for your guidance and support as we implement this waiver. We have heard from stakeholders the difference it is making in some individuals' lives and are pleased to be partnered with the Centers for Medicare and Medicaid Services in this endeavor.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Jones".

Cynthia B. Jones

Virginia – Request to Amend 11 – W – 00297/3

Virginia Governor’s Access Plan for the Seriously Mentally Ill (GAP) 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. 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 14 (adequacy of infrastructure), to reach a decision regarding the requested amendment;

During Virginia’s 2016 legislative session, members of the House and Senate came together during the budget conference process and agreed upon a proposal (further discussed in section d) and 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.

Additional action by the department, regarding notification of the proposed amendment, will include posting the requested amendment on the GAP demonstration webpage, and subsequently notifying stakeholders of the information once the budget is signed by the Governor.

The requirements outlined in paragraph 14 are not of concern, the infrastructure of the GAP demonstration remains strong and intact. This amendment is the outcome of the action taken by the Virginia General Assembly. As this is one of the Governor’s initiatives DMAS is confident it will be included in the signed the budget with no changes. Therefore, the budget amendment, necessitating this change, is final.

- 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;



GAP 1115 BN Update
#1 3-28-2016.xlsx

Please see attached excel spreadsheet

- 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;

Pertaining to the outlined process for determining the need for this amendment, the budget language dictating the specific eligibility parameters can be found in Attachment A. Essentially, effective July 1, 2016, individuals with serious mental illness who apply to the program and meet other eligibility criteria may have a household income up to 85% (80+5% income disregard) of the federal poverty level (FPL).

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

- e) If applicable, a description of how the evaluation designs 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.

APPENDIX A

Item 306 #20c

First Year - FY2017 Second Year - FY2018

Health and Human Resources

Language:

Page 250, line 34, strike "\$9,740,405,698" and insert "\$9,743,665,324".

Page 250, line 34, strike "\$11,552,255,000" and insert "\$11,559,820,236".

Page 271, after line 6, after "XXX.1." insert "a."

Page 271, line 26, after "Administrator." insert:

"b. The Department of Medical Assistance Services shall amend the Medicaid demonstration project described in paragraph a. to increase the income eligibility for adults with serious mental illness from 60 to 80 percent of the federal poverty level effective July 1, 2016."

Explanation:

(This amendment adds \$1.6 million the first year and \$3.8 million the second year from the general fund and a like amount of federal matching Medicaid funds to modify the income eligibility criteria for the Medicaid demonstration waiver program for adults with serious mental illness in Medicaid from 60 to 80 percent of the federal poverty level. 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.)

DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	TREND RATE 1	MONTHS OF AGING	BASE YEAR DY 00 (C115)	TREND RATE 2	DEMONSTRATION YEARS (DY)	DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WOW
Non-LTC Disabled Adults with SMI											
Medicaid											
Pop Type:											
Eligible Member Months	4.9%	6	1,008,513	4.9%	1,057,426	1,108,711	1,162,484	1,218,884	1,277,979		
PMPM Cost	4.6%	6	\$1,731.41	4.6%	\$1,811.05	\$1,894.36	\$1,981.50	\$2,072.85	\$2,167.99		
Total Expenditure			\$1,746,150,082		\$ 1,915,051,787	\$ 2,100,298,548	\$ 2,303,461,873	\$ 2,528,279,263	\$ 2,770,848,354	\$ 11,815,737,822	

Can amend to account for woodwork effect of new program (and outreach efforts of Healthy VA) if necessary.

Without the proposed 1115 Demonstration waiver, individuals who would otherwise be served through the GAP program are assumed to progress further along the mental illness spectrum and obtain a disability determination, thereby qualifying for full-Medicaid benefits under current Virginia eligibility levels.

Set to State historical PMPM average growth rate (lower of that or Pres Budget rate)

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

ELIGIBILITY GROUP	DY 00	DEMO TREND RATE	DEMONSTRATION YEARS (DY)					TOTAL WW
			DY 01	DY 02	DY 03	DY 04	DY 05	
Non-LTC Disabled Adults with SMI								
Pop Type:	Medicaid							
Eligible Member	971,611	4.9%	967,173	971,617	1,000,530	1,040,175	1,087,142	
Months	1,731,411	4.6%	1,611,035	1,594,536	1,581,500	2,072,655	2,163,991	
PM/PM Cost	\$ 1,682,267,590		\$ 1,751,598,603	\$ 1,840,592,108	\$ 1,982,550,285	\$ 2,155,918,555	\$ 2,386,912,870	
Total Expenditure	\$ 15,353,077		\$ 38,938,871	\$ 61,338,103	\$ 75,138,501	\$ 95,212,575	\$ 356,597,122	

GAP Population		Expansion	
Eligible Member	36,902	90,253	137,095
Months	416,05	433,44	447,40
PM/PM Cost	\$ 15,353,077	\$ 43,474,44	\$ 44,740,40
Total Expenditure	\$ 15,353,077	\$ 38,938,871	\$ 61,338,103

With the proposed 1115 Demonstration waiver, individuals served through the GAP program are assumed to be diverted from obtaining a disability determination and thereby qualifying for full Medicaid benefits under current Virginia eligibility levels.

The 1115 Demonstration waiver provides a limited coverage benefit to individuals with severe mental illness at or below 80% FPL. Actual Costs of GAP members were used as the base estimate for this population. Member Months are using the estimated monthly enrollment in the GAP program.

Budget Neutrality Summary

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Medicaid Populations 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
TOTAL	\$ 1,915,051,787	\$ 2,100,298,546	\$ 2,303,461,873	\$ 2,526,279,263	\$ 2,770,646,354	\$ 11,615,737,822

With-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Medicaid Populations Non-LTC Disabled Adults with SMI	\$ 1,751,598,603	\$ 1,840,592,108	\$ 1,982,550,265	\$ 2,155,918,555	\$ 2,356,912,870	\$ 10,087,572,402
Expansion Populations GAP Population	\$ 38,938,871	\$ 61,336,103	\$ 75,138,501	\$ 85,971,073	\$ 95,212,575	\$ 356,597,122
TOTAL	\$ 1,790,537,474	\$ 1,901,928,211	\$ 2,057,688,767	\$ 2,241,889,628	\$ 2,452,125,445	\$ 10,444,169,524

VARIANCE	\$ 124,514,313	\$ 198,370,335	\$ 245,773,106	\$ 284,389,635	\$ 318,520,909	\$ 1,171,568,298
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Population Status Drop-Down
Medicaid
Hypothetical
Expansion

Dropdown

5 YEARS OF HISTORIC DATA

SPECIFY TIME PERIOD AND ELIGIBILITY GROUP DEPICTED:

	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	5-YEARS
Non-LTC Disabled Adults with SMI						
TOTAL EXPENDITURES	\$ 1,152,815,523	\$ 1,327,142,595	\$ 1,323,507,206	\$ 1,507,211,170	\$ 1,667,366,289	\$ 6,978,042,782
ELIGIBLE MEMBER MONTHS	814,944	859,896	874,128	945,144	984,912	
PMPM COST	\$ 1,414.59	\$ 1,543.38	\$ 1,514.09	\$ 1,594.69	\$ 1,692.91	
TREND RATES						5-YEAR AVERAGE
TOTAL EXPENDITURE		15.12%	-0.27%	13.88%	10.63%	9.66%
ELIGIBLE MEMBER MONTHS		5.52%	1.66%	8.12%	4.21%	4.85%
PMPM COST		9.10%	-1.90%	5.32%	6.16%	4.59%
ANNUAL CHANGE						

Other Data	HY 1	HY 2	HY 3	HY 4	HY 5	5-YEARS
TOTAL EXPENDITURES	\$ 75,403,373	\$ 105,400,535	\$ 117,311,422	\$ 110,121,194	\$ 108,883,807	\$ 517,120,330
ELIGIBLE MEMBER MONTHS	176,926	207,616	219,846	172,353	167,514	
PMPM COST	\$ 426.18	\$ 507.67	\$ 533.61	\$ 638.93	\$ 650.00	
TREND RATES						5-YEAR AVERAGE
TOTAL EXPENDITURE		39.78%	11.30%	-6.13%	-1.12%	9.62%
ELIGIBLE MEMBER MONTHS		17.35%	5.89%	-21.60%	-2.81%	-1.36%
PMPM COST		19.12%	5.11%	19.74%	1.73%	11.13%
ANNUAL CHANGE						

Non-LTC Disabled Adults with SMI

1. Unduplicated individuals were identified using diagnosis set run against FFS and Encounter claims. Recipients with indicators of LTC were excluded.
2. All paid claims (FFS, Capitation) were pulled for identified individuals.
3. In prior years where some claim types were not available, average cost per person for that service was obtained and multiplied by the number of identified identified in the cohort for the year.

	Projected Gap Enrollment	Actual Gap Enrollment	Forecast1	Forecast2
1/1/2015	112	112		
2/1/2015				
3/1/2015	696	696		
4/1/2015	1,499	1,671		
5/1/2015	2,493	2,464		
6/1/2015	3,650	3,154		
7/1/2015	4,947	3,794		
8/1/2015	6,342	4,225		
9/1/2015	7,821	4,665		
10/1/2015	9,382	5,028		
11/1/2015	10,996	5,420		
12/1/2015	12,451	5,854		
1/1/2016	13,973	5,882	5,981	5,981
2/1/2016	15,451	5,887	6,220	6,244
3/1/2016	16,800	6,073	6,460	6,578
4/1/2016	18,053		6,672	6,805
5/1/2016	19,162		6,867	7,077
6/1/2016	20,099		7,039	7,359
7/1/2016	20,837		7,192	7,595
8/1/2016	21,346		7,329	7,844
9/1/2016	21,600		7,452	8,086
10/1/2016	21,600		7,561	8,312
11/1/2016	21,600		7,659	8,531
12/1/2016	21,600		7,746	8,775
1/1/2017			7,824	8,992
2/1/2017			7,894	9,204
3/1/2017			7,957	9,409
4/1/2017			8,012	9,610
5/1/2017			8,062	9,805
6/1/2017			8,107	9,995
7/1/2017			8,147	10,179
8/1/2017			8,182	10,359
9/1/2017			8,214	10,534
10/1/2017			8,242	10,704
11/1/2017			8,268	10,870
12/1/2017			8,290	11,031
1/1/2018			8,311	11,188
2/1/2018			8,329	11,341
3/1/2018			8,345	11,489
4/1/2018			8,359	11,634
5/1/2018			8,372	11,775
6/1/2018			8,384	11,912
7/1/2018			8,394	12,045
8/1/2018			8,404	12,175
9/1/2018			8,414	12,301
10/1/2018			8,424	12,424
11/1/2018			8,434	12,544
12/1/2018			8,444	12,660
1/1/2019			8,454	12,773
2/1/2019			8,464	12,884
3/1/2019			8,474	12,991
4/1/2019			8,484	13,095
5/1/2019			8,494	13,197
6/1/2019			8,504	13,296
7/1/2019			8,514	13,392
8/1/2019			8,524	13,486
9/1/2019			8,534	13,577
10/1/2019			8,544	13,666
11/1/2019			8,554	13,752
12/1/2019			8,564	13,836
1/1/2020			8,574	13,918
2/1/2020			8,584	13,998
3/1/2020			8,594	14,075
4/1/2020			8,604	14,150
5/1/2020			8,614	14,224
6/1/2020			8,624	14,295
7/1/2020			8,634	14,365
8/1/2020			8,644	14,432
9/1/2020			8,654	14,498
10/1/2020			8,664	14,562
11/1/2020			8,674	14,625
12/1/2020			8,684	14,687

137,095	7/1/2016	0
	8/1/2016	61
	10/1/2016	178
	11/1/2016	342
	12/1/2016	533
	1/1/2017	733
	2/1/2017	923
	3/1/2017	1,089
	4/1/2017	1,223
	5/1/2017	1,324
	6/1/2017	1,394
	7/1/2017	1,441
	8/1/2017	1,471
	9/1/2017	1,489
	10/1/2017	1,501
	11/1/2017	1,510
	12/1/2017	1,516
	1/1/2018	1,521
	2/1/2018	1,525
	3/1/2018	1,528
	4/1/2018	1,531
	5/1/2018	1,534
	6/1/2018	1,537
	7/1/2018	1,539
	8/1/2018	1,541
	9/1/2018	1,543
	10/1/2018	1,545
	11/1/2018	1,548
	12/1/2018	1,550
	1/1/2019	1,552
	2/1/2019	1,554
	3/1/2019	1,556
	4/1/2019	1,557
	5/1/2019	1,559
	6/1/2019	1,561
	7/1/2019	1,563
	8/1/2019	1,565
	9/1/2019	1,567
	10/1/2019	1,568
	11/1/2019	1,570
	12/1/2019	1,572
	1/1/2020	1,574
	2/1/2020	1,576
	3/1/2020	1,578
	4/1/2020	1,580
	5/1/2020	1,581
	6/1/2020	1,583
	7/1/2020	1,585
	8/1/2020	1,587
	9/1/2020	1,589
	10/1/2020	1,591
	11/1/2020	1,592
	12/1/2020	1,594

90,253 137,095 161,954 178,689 190,837

36,902

161,954

178,689

190,837

Panel 1: Historic DSH Claims for the Last Five Fiscal Years:

RECENT PAST FEDERAL FISCAL YEARS	20__	20__	20__	20__	20__
State DSH Allotment (Federal share)					
State DSH Claim Amount (Federal share)					
DSH Allotment Left Unspent (Federal share)	\$ -	\$ -	\$ -	\$ -	\$ -

Panel 2: Projected Without Waiver DSH Expenditures for FFYs That Overlap the Demonstration Period

FEDERAL FISCAL YEARS THAT OVERLAP DEMONSTRATION YEARS	FFY 00 (20__)	FFY 01 (20__)	FFY 02 (20__)	FFY 03 (20__)	FFY 04 (20__)	FFY 05 (20__)
State DSH Allotment (Federal share)						
State DSH Claim Amount (Federal share)						
DSH Allotment Projected to be Unused (Federal share)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Panel 3: Projected With Waiver DSH Expenditures for FFYs That Overlap the Demonstration Period

FEDERAL FISCAL YEARS THAT OVERLAP DEMONSTRATION YEARS	FFY 00 (20__)	FFY 01 (20__)	FFY 02 (20__)	FFY 03 (20__)	FFY 04 (20__)	FFY 05 (20__)
State DSH Allotment (Federal share)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State DSH Claim Amount (Federal share)						
Maximum DSH Allotment Available for Diversion (Federal share)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total DSH Allotment Diverted (Federal share)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSH Allotment Available for DSH Diversion Less Amount Diverted (Federal share, must be non-negative)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSH Allotment Projected to be Unused (Federal share, must be non-negative)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Panel 4: Projected DSH Diversion Allocated to DYs

DEMONSTRATION YEARS	DY 01	DY 02	DY 03	DY 04	DY 05
DSH Diversion to Leading FFY (total computable)					
FMAP for Leading FFY					
DSH Diversion to Trailing FFY (total computable)					
FMAP for Trailing FFY					
Total Demo Spending From Diverted DSH (total computable)	\$ -	\$ -	\$ -	\$ -	\$ -