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Top-to-Bottom Review of Virginia Medicaid Agency to be Conducted Over 60 Days

~ Milliman, a nationally recognized health finance expert, will make initial recommendations in early April ~

RICHMOND – The Virginia Department of Medical Assistance Services (DMAS) today announced it has selected Milliman to conduct a top-to-bottom review of the agency’s forecasting and rate-setting processes over 60 days.

The state Medicaid agency selected Milliman to lead the comprehensive review and provide initial recommendations for improving the agency’s rate-setting and forecasting processes in early April. A final report is due later that month. The review will compare processes used in Virginia against practices used in at least five other states as well as internationally recognized best practices.

Seattle-based Milliman is among the world’s largest providers of actuarial and financial products and services, including actuarial and financial analysis services to more than 20 state Medicaid agencies in the past several years.

“Our agency is taking swift and decisive action to ensure that we have a sound financial structure in place to guide budgetary decisions,” said Dr. Jennifer Lee, DMAS director. “Our leadership team has already identified many of the essential components necessary for greater certainty in our forecasting and rate-setting processes. Milliman will assess and build on those strategies while bringing fresh eyes to our overall financial processes.”
“We are committed to improving the processes and transparency in our forecasting and rate-setting for Virginia Medicaid,” said Virginia Secretary of Health and Human Resources Daniel Carey, MD. “A top-to-bottom review will allow us to have a clearer picture of where we are now and where we need to be in the future.”

Implementation of the recommendations will be overseen by a new internal cross-agency financial review unit, led by the agency’s new Chief Financial Officer. Chris Gordon joined the agency on February 1. Gordon brings extensive senior administrative and financial experience to DMAS. In his most recent position, Gordon served as the Chief of Staff for Community Health Services at the Virginia Department of Health (VDH). In that post, he directed the day-to-day business operations for the agency’s 167 health departments with an annual budget exceeding $246 million.

Grounded in sound financial and administrative leadership, Gordon’s strategic approach included creating and implementing VDH’s first Balanced Scorecard, as well as the cost-saving business model of Shared Administrative Services. Both of these innovations provide the necessary integrated oversight of financial, customer service, and growth performance measures for the successful stewardship of public funds.

Prior to his 13 years at VDH, Gordon served in the Fairfax County Health Department. He obtained his Master of Business Administration, Master of Arts in Biology, and Bachelor of Science in Biology all from the College of William and Mary.

“I am thrilled at the opportunity to join Virginia Medicaid at this crucial moment, and I am incredibly impressed with the DMAS team’s commitment to improvements in its financial management structure,” Gordon said. “My top priority will be to work collaboratively with my colleagues to implement the recommendations developed by Milliman and to ensure excellence in all of our financial processes.”

The internal financial review unit will be responsible for continuous monitoring of the agency’s forecasting and rate-setting procedures to provide real-time evaluations of each step in the decision-making process and advanced notice of necessary adjustments.

This new framework will support the integration of leadership across program, policy and financial divisions into a multi-disciplinary unit that provides a 360-degree assessment of each component of the forecasting and rate-setting processes.

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