



Medicaid COMPASS Waiver

Study questions

- What is the current status of planning for and implementation of the COMPASS waiver?
- How do the provisions and requirements of Virginia's COMPASS waiver compare to similar waivers in other states?
- What tasks need to be completed before Virginia will be ready to implement the COMPASS waiver?

COMPASS = Creating Opportunities for Medicaid Participants to Achieve Self-Sufficiency

In Brief

Implementation of new initiatives in the COMPASS waiver would begin at least a year after CMS approval, no earlier than 2021.

Virginia's proposed initiatives in the COMPASS waiver are generally similar to those proposed by other states, with a few exceptions.

DMAS and other state agencies have been developing operational plans but significant work remains to implement new initiatives.

DMAS = Department of Medical Assistance Services

CMS = Centers for Medicare and Medicaid Services

The COMPASS waiver proposes three new Medicaid initiatives

- Work and community engagement requirement for adults without dependents (TEEOP)
- Premiums and copays for adults without dependents earning $\geq 100\%$ of federal poverty level
- Housing and employment supports for high-need populations

TEEOP = Training, Education, Employment, and Opportunity Program

Implementation of new COMPASS initiatives could begin in 2021 at the earliest

- DMAS was in the final stages of negotiating terms and conditions with CMS when DMAS requested a pause
 - DMAS began negotiations with CMS in January, receiving the first full set of terms and conditions in August
 - DMAS provided comments in September and received a second draft from CMS at the end of November
- If approved, it would likely take at least a year to prepare for implementation
 - CMS required about a year between approval and implementation in most other states

DMAS = Department of Medical Assistance Services

CMS = Centers for Medicare and Medicaid Services

COMPASS planning in 2019 focused on identifying decisions and options to consider

- DMAS hired a consultant to facilitate CMS negotiations and develop an implementation approach
 - Convened meetings with appropriate agencies for each new initiative
- Operational plans are being drafted in conjunction with the terms and conditions
- DMAS established a COMPASS division, including hiring four additional staff members

Virginia's TEEOP includes more older individuals and fewer parents than most other states

	Proposed Virginia policy	Differences in other states
Population	19–64 years of age	Requirements apply to adults age 60 or younger in many states
Exemptions	Parents of children under 19 Pregnant women Disabled/serious medical condition SNAP/TANF	Exempt parents of children under 6, and those receiving unemployment benefits
Qualifying activities	Employment Job training/search Community service	No major differences

NOTE: Participation in SNAP or TANF is considered an exemption under the waiver, but some of those individuals will be fulfilling the work requirements for those other programs. Table describes most common waiver provisions among the 17 other states with approved or pending waivers.

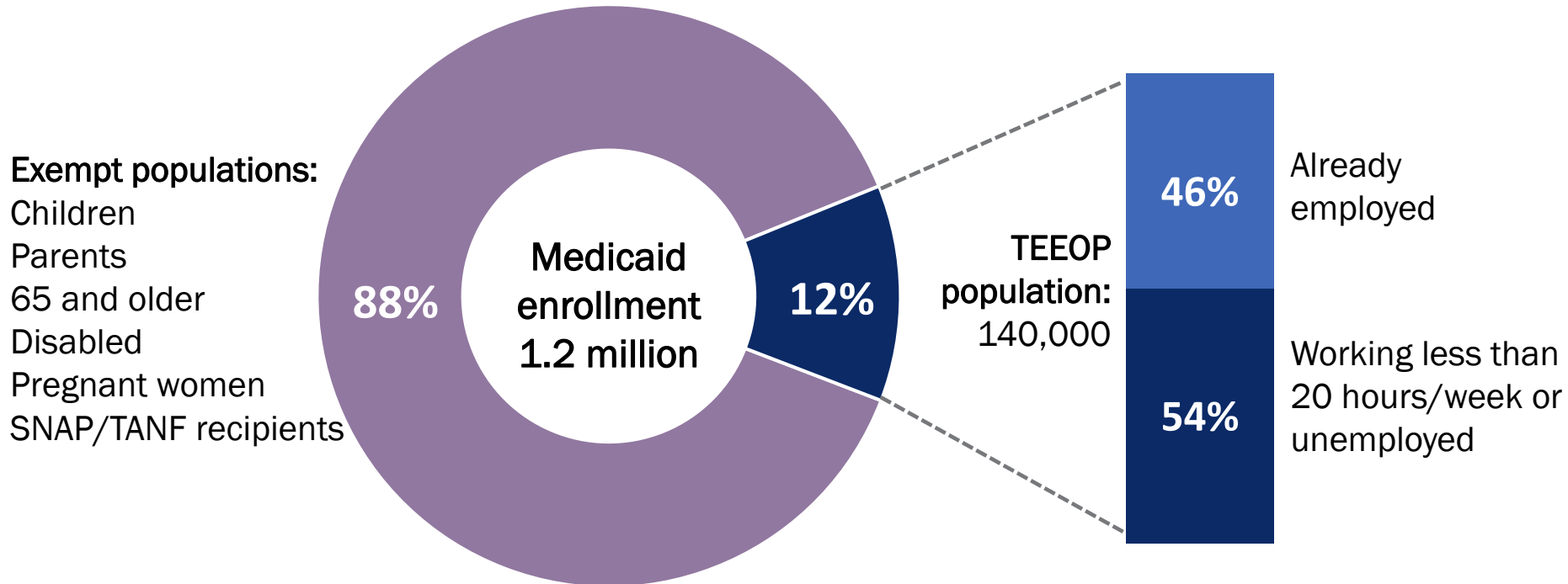
TEEOP compliance requirements are in line with other states but do not include a grace period

	Proposed Virginia policy	Differences in other states
Compliance requirements	80 hours per month Disenrolled after 3 months of noncompliance in a 12 month period Reinstated after one month of compliance	No major differences
Initial phase-in plan	Months 1-3: 20 hours per month Months 4-6: 40 hours per month Months 7-9: 60 hours per month Months 10-12: 80 hours per month	Half of other states propose a grace period during implementation Phase-in of hourly requirements is less common

NOTE: Virginia's proposed policies are based on the initial waiver proposal and may be altered through negotiations with CMS. Table describes most common waiver provisions in other states.

About 12 percent of members will be subject to TEEOP requirements with half already employed

Full-benefit Medicaid enrollees (as of 10/1/19)



NOTE: Participation in SNAP or TANF is considered an exemption under the waiver, but some of those individuals will be fulfilling the work requirements for those other programs. Estimated TEEOP population includes individuals who would eventually become disenrolled due to non-compliance.

Existing workforce programs could be used to help some individuals meet TEEOP requirements

- Existing programs provide a variety of job placement and training services
 - Lower intensity: VEC job search database
 - Medium intensity: soft skills training; SNAP E&T; support services (such as transportation)
 - Higher intensity: community college credit and non-credit; technical training; adult basic education

SNAP E&T: Supplemental Nutrition Assistance Program Education and Training

Cost of providing workforce services depends on individuals' needs and state priorities

- Individuals can be connected with potential jobs through VEC job search for no additional cost
- Individuals not able to find jobs would require education and training through higher intensity services
- Some TEEOP members could be served through existing education and training programs
 - Some programs have capacity
 - TEEOP members could be prioritized
- Providing a substantial number of TEEOP members with education/training will require additional program capacity

Significant work remains to implement TEEOP at state and local agencies

- Significant planning work remains to determine how members will be referred for workforce services and prioritized within existing workforce programs
- Planning for several aspects of TEEOP is farther along, with implementation beginning after CMS approval
 - Identified stakeholders to help communicate requirements to members
 - Identified IT system changes needed
 - Identified methods for members to report compliance

Legal challenges to similar requirements are ongoing in other states

- CMS approval of four states' work and community engagement requirements vacated by a federal judge
 - Two have been heard by a federal appeals court
 - Any decision is likely to be appealed to U.S. Supreme Court
- Legal dispute is whether CMS followed Administrative Process Act in considering impact on Medicaid coverage
 - Requires agencies to consider impacts on the program goals
 - One goal of Medicaid is to provide medical assistance to low-income individuals
- No timeline for legal resolution

NOTE: KY, AR, NH, and IN waiver approvals have been vacated. There is a pending lawsuit in MI.

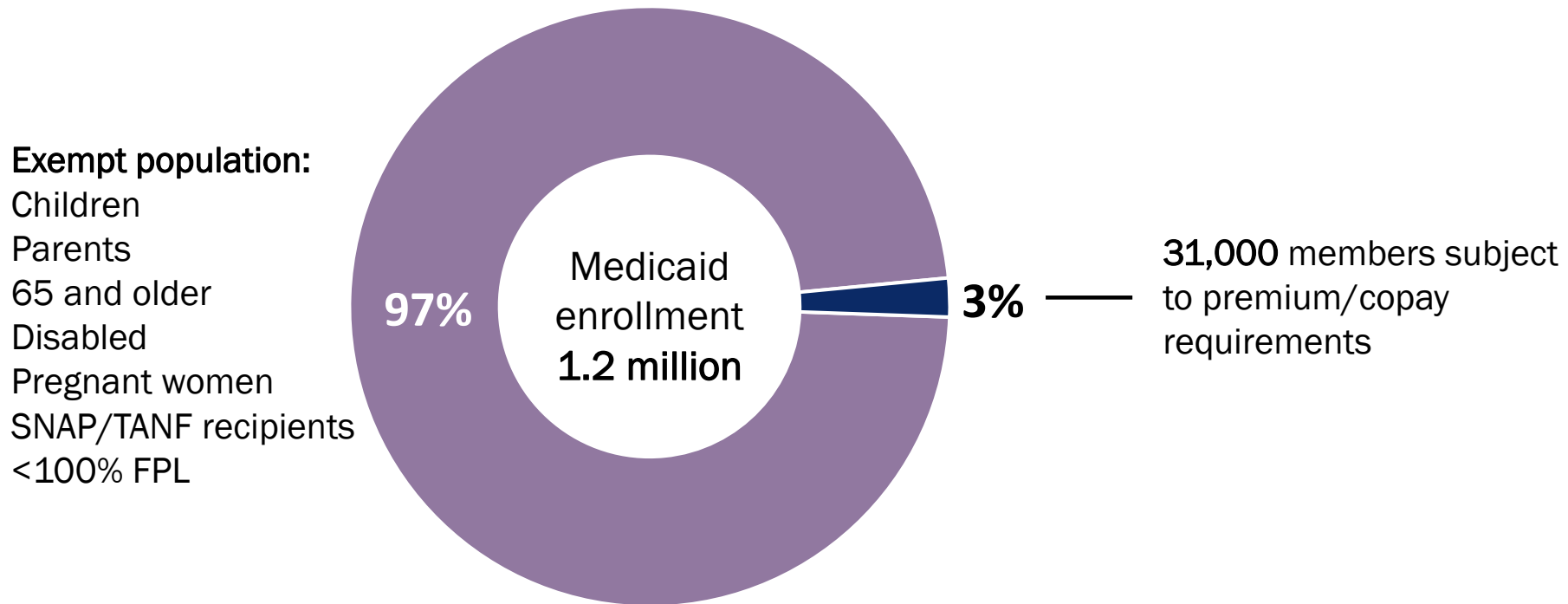
Virginia exempts more individuals from cost sharing; has lower premiums than other states

	Proposed Virginia policy	Differences in other states
Population	19–64 years of age ≥100% of federal poverty level	No major differences
Exemptions	Same exemptions as TEEOP (disabled, parents, SNAP/TANF)	Most states do not exempt parents or those on SNAP/TANF
Monthly premium	\$5 – \$10	Other states' premiums are typically \$20-\$25
Copay amount (non-emergency ER)	\$5	No major differences

NOTE: Table describes most common waiver provisions in eight other states.

About 3 percent of Medicaid members will be subject to premiums and copays

Full-benefit Medicaid enrollees (as of 10/1/19)



NOTE: Estimated number subject to premium and copay requirements includes members who would be disenrolled because of non-compliance. Numbers only include full-benefit Medicaid enrollees.

Implementation plans for premium and copay requirements are mostly complete

- Clear roles for DMAS, MCOs, and hospitals for collecting, tracking, and reporting premiums and copays
- Significant work remains to implement:
 - Member portal to help members track premiums and healthy behaviors
 - IT system changes

MCO = Managed care organization

High-need Medicaid members would be eligible for housing and employment supports

- Individuals must have SMI, SUD, or complex medical condition and:
 - have housing risk factors such as chronic homelessness
 - have employment risk factors such as inability to sustain employment because of SMI/SUD

SMI = Severe mental illness
SUD = Substance use disorder

Supportive services designed to help Medicaid members obtain/sustain housing or employment

- Housing services would include:
 - Housing application and budgeting assistance
 - Community integration planning and service delivery
 - Ensuring living environment is safe and accessible
- Employment services would include:
 - Subsidies for industry certification
 - Career coaching and employer negotiation

Significant planning work remains for housing and employment supports

- Plans and decisions needed for:
 - Assessing members for eligibility and connecting them to services
 - Establishing a provider network
 - Prioritizing funding among those eligible for services

JLARC staff for this report

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Agency responses

As part of an extensive validation process, the state agencies and other entities that are subject to a JLARC assessment are given the opportunity to comment on an exposure draft of the report. JLARC staff sent an exposure draft of this report to the Virginia Department of Medical Assistance Services, the Virginia Department of Social Services, the Secretary of Health and Human Resources, and the Chief Workforce Advisor.

Appropriate corrections resulting from technical and substantive comments are incorporated in this version of the report. This appendix includes response letters from

- the Department of Medical Assistance Services and
- the Secretary of Health and Human Resources.



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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December 11, 2019

Mr. Hal Greer, Director
Joint Legislative Audit and Review Commission (JLARC)
919 East Main Street
Richmond, Virginia 23219

Dear Mr. Greer:

Thank you for the opportunity to review and comment on the exposure drafts of the JLARC briefings on *Medicaid Expansion: Enrollment & Spending* and *Medicaid: COMPASS Waiver*. We appreciated the opportunity to meet with JLARC staff on December 3, 2019 to discuss and clarify issues and to submit written comments prior to the finalization of the reports. These reports comprise the third part of a multi-pronged JLARC study of Medicaid expansion in Virginia. We would like to thank the Commission for its recognition of the hard work of the Department of Medical Assistance Services (DMAS) and its partner agencies in the successful implementation of Medicaid expansion and in meeting the other requirements of the 2018 Appropriations Act.

Sincerely,

A handwritten signature in blue ink that reads "Karen Kimsey".

Karen Kimsey, MSW

cc: The Honorable Daniel Carey, M.D. – Secretary of Health and Human Resources
The Honorable Megan Healy, Ph.D. – Chief Workforce Advisor to the Governor
Gena Berger – Deputy Secretary of Health and Human Resources
Marvin B. Figueroa – Deputy Secretary of Health and Human Resources
Duke Storen – Commissioner of the Department of Social Services



COMMONWEALTH of VIRGINIA

Office of the Governor

Daniel Carey, M.D.

Secretary of Health and Human Resources

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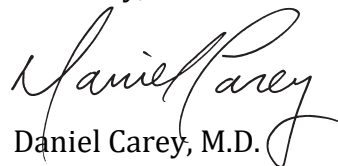
Re: JLARC briefings on *Medicaid Expansion: Enrollment & Spending* and *Medicaid: COMPASS Waiver*

Dear Mr. Greer,

Thank you for the opportunity to review and comment on the exposure drafts of the JLARC briefings on *Medicaid Expansion: Enrollment & Spending* and *Medicaid: COMPASS Waiver*. This letter will confirm that I have reviewed the relevant drafts. I discussed my feedback with the Department of Medical Assistance Services (DMAS) and my feedback is reflected in the department's response.

Please let me know if my office may be of further assistance.

Sincerely,


Daniel Carey, M.D.