

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



August 14, 2023

VIA ELECTRONIC MAIL: Keven.Patchett@scc.virginia.gov

Mr. Keven Patchett
Director, Virginia Health Benefit Exchange
State Corporation Commission
P.O. Box 1157
Richmond, Virginia 23218

Dear Director Patchett,

I am pleased to inform you that the Commonwealth of Virginia (“Virginia” or “the State”) has received conditional approval to establish a State-based Exchange (SBE) for plan year 2024. Congratulations to the Virginia Health Benefit Exchange (VHBE) on reaching this significant milestone on the path to establishing an SBE for the residents of Virginia.

Conditional approval reflects the progress VHBE has made in demonstrating its readiness as an SBE to provide affordable, quality coverage for consumers for plan year 2024. The Centers for Medicare & Medicaid Services (CMS) has reached this decision based on Virginia’s SBE Blueprint Application attestations, progress to date, and expected progress across the entire spectrum of Exchange requirements. CMS’ conditional approval is contingent upon the following conditions:

1. Continued compliance with federal regulations, and continued compliance and/or demonstration of the ability to perform required Exchange activities in line with the attestations VHBE has made in its SBE Blueprint Application submission; and
2. Please find appended to this letter, a chart summarizing CMS’ assessment of VHBE’s progress around key SBE transition activities, which includes notable requirements VHBE must maintain or continue to meet, to keep conditional approval.

We look forward to continuing our partnership with VHBE and are committed to providing your team our ongoing support and technical assistance to help VHBE succeed.

Thank you,

A handwritten signature in black ink, appearing to read "Ellen Montz", with a stylized flourish at the end.

Ellen Montz, Ph.D.
Director, Center for Consumer Information & Insurance Oversight
Deputy Administrator, Centers for Medicare & Medicaid Services

Key Functional Area	State Progress
Federal Data Services Hub (HUB) Authority to Connect (ATC)	<ul style="list-style-type: none"> Received CMS Federal Data Services Hub (FDSH) Authority to Connect (ATC) on 7/13/23.
Federal Data Services Hub (HUB) Testing	<ul style="list-style-type: none"> On track to complete FDSH testing by October 2023.
Plan Management	<ul style="list-style-type: none"> Successfully demonstrated plan display capabilities on 6/26/23. Successfully submitted evidence of Advance Premium Tax Credit (APTC) calculation and proration capabilities on 7/28/23. Successfully demonstrated accurate transfer of plan data through SERFF, onto own SBE platform. To maintain conditional approval, Virginia must complete transfer of plan data through System for Electronic Rates & Forms Filing (SERFF), onto own SBE platform, by 8/17/23.
Eligibility and Enrollment	<ul style="list-style-type: none"> Virginia submitted its initial single, streamlined eligibility application for CMS review and approval under 45 CFR 155 Subpart D and 45 CFR 155.405(b) on 1/10/23, and submitted its revised single, streamlined eligibility application on 04/27/23. Virginia demonstrated eligibility functionality through four operational readiness review (ORR) sessions, on 6/1/23, 6/9/23, 6/16/23, and 6/23/23, and demonstrated 11 total CMS test-cases through a combination of these meetings and video-recordings. Virginia demonstrated Account transfer functionality live and end-to-end (SBE to State Medicaid Agency (SMA) and SMA to SBE) during three ORR sessions between 7/5/23 and 7/7/23. To maintain conditional approval, Virginia must address the following open items identified through CMS’ reviews and implement necessary changes as described and on the dates agreed upon in the “Outstanding CMS Required Changes from VA” document submitted by Virginia on 8/2/23: Prior to Open Enrollment: <ul style="list-style-type: none"> Update eligibility determination notices (EDNs) and eligibility results pages (ERP) to correct language for non-applicants and for applicants who are assessed/determined Medicaid eligible, clarify next steps for applicants assessed or determined Medicaid eligible, and clarify tribal cost-sharing reductions (CSRs). Update help-language for questions in the “APTC Program Employer-Sponsored Coverage (ESC) Questions Section” and the “Household Information” sections of the eligibility application. Update the “Citizenship or Immigration Status” section of the eligibility application to clearly indicate those questions for which responses must be optional. Update eligibility application questions on reconciliation of premium tax credits and employer sponsored coverage details. Update the eligibility application logic such that all applicants have an opportunity to attest to an offer of ESC.

Key Functional Area	State Progress
	<ul style="list-style-type: none"> ○ Update the legal agreements for non-financial assistance (non-FA) eligibility applications so that only applicable legal agreements display. ○ Update the “Life Change Reporting Qualifying Life Events (QLEs)” page to clarify special enrollment period (SEP) eligibility for members of a federally recognized tribe. ○ Update the consumer portal so that applicants who are determined eligible for Medicaid are not required to submit documentation to the SBE to resolve data-matching inconsistencies (DMIs). ○ Add mitigating help language to the “Primary Contact Information” section of the eligibility application for consumers who do not have a permanent address, and train Contact Center staff on how best to guide these consumers. ● Post Open Enrollment: <ul style="list-style-type: none"> ○ Update, as part of a March 2024 release, the eligibility application such that in the “Primary Contact Information” section, there is an option that allows a consumer to attest to not having a home address. ○ Before, but no later than plan year 2025 Open Enrollment, implement functionality to utilize state wage data, or other alternative state data source, in verifying income as part of further aligning the Virginia Exchange’s Medicaid eligibility determination rules and process with the Medicaid agency’s eligibility determination rules and processes. ○ Before, but no later than plan year 2025 Open Enrollment, implement agreed-upon plan with CMS to update EDNs so that they more clearly indicate reasons an applicant may be determined ineligible, next steps, and the appeal process.
Consumer Assistance	<ul style="list-style-type: none"> ● Successfully demonstrated a consumer-facing State Exchange website and call-center development plan to CMS on 7/31/23, meeting functional requirements outlined in the SBE Blueprint application. ● CMS and Virginia agreed upon a timeline provided by Virginia on 7/31/23, in its “Website Validation Plan,” for both content changes and a stakeholder usability testing plan in the implementation of Virginia’s consumer-facing Exchange website under 45 CFR 155.205(b). ● CMS and Virginia agreed on a transition-related stakeholder communications plan on 7/27/23, including a timeline for the State to send initial transition-related stakeholder communications by an agreed-upon date.