



# VNPP Fall Conference 2025 Medicaid Updates

**Cheryl Roberts, J.D., Department of Medical Assistance Services (DMAS) Director**

**October 15, 2025**





How have things been for me lately?

# AGENDA

- Medicaid Overview
- Cardinal Care Managed Care
- Developmental Disabilities
- Behavioral Health
- H.R.1 – One Big Beautiful Bill Act (OBBBA)

# THRIVE in 2025

DMAS is committed to providing quality health care coverage and services efficiently to qualified Virginians in the Commonwealth

**T**  
Trust

**H**  
Health

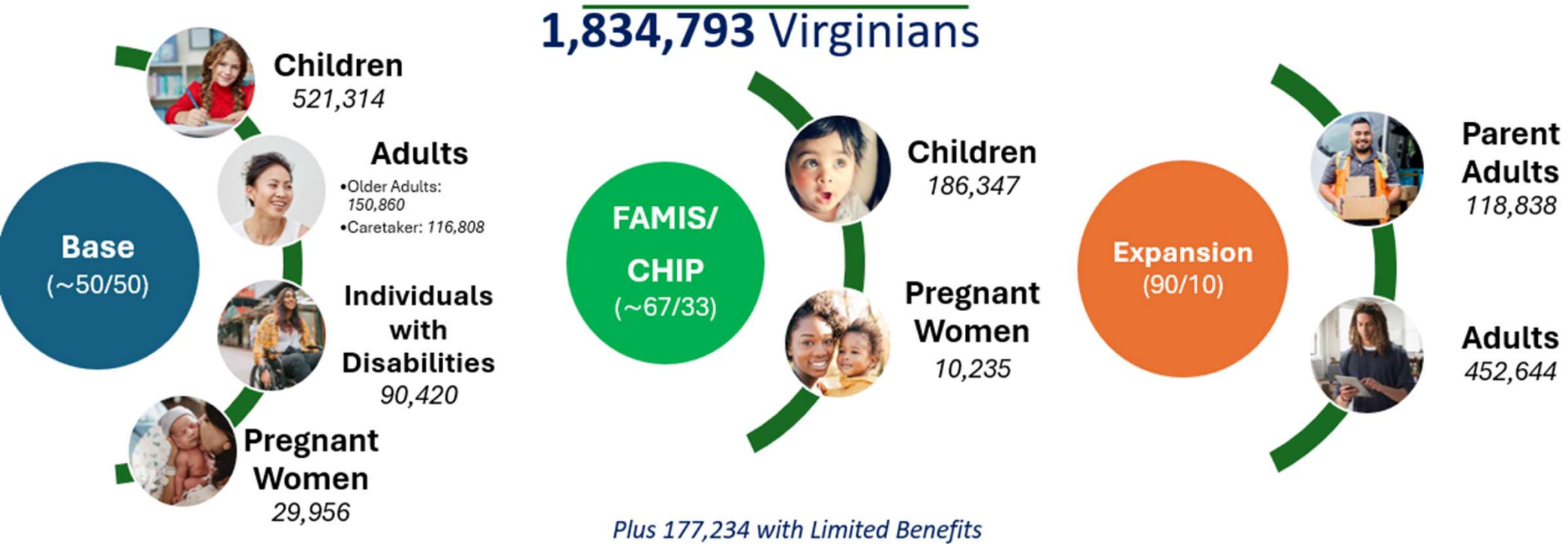
**R**  
Results

**I**  
Integrity

**V**  
Vision

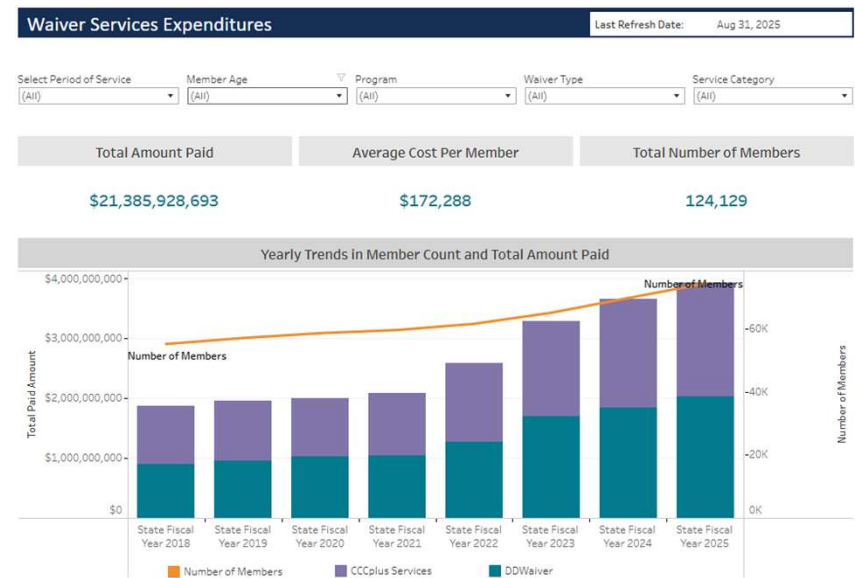
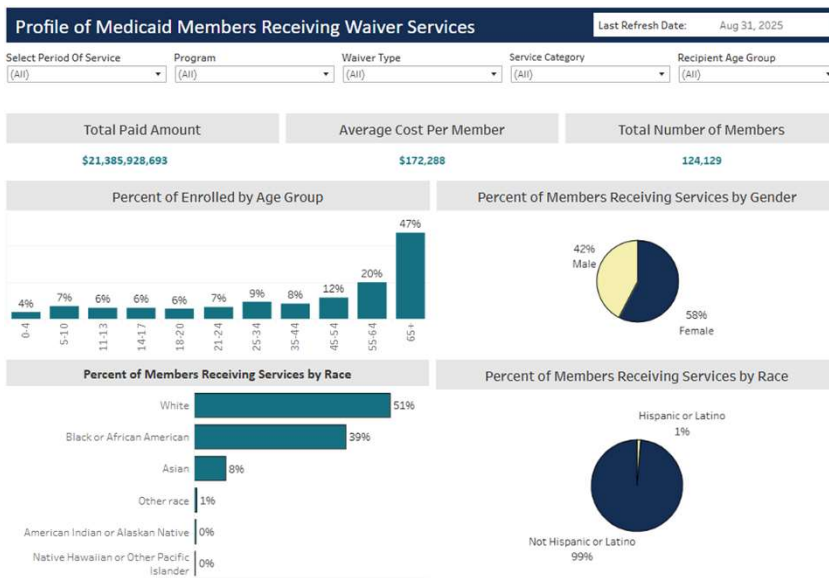
**E**  
Engagement

# Who do we cover?



# Waiver Data Dashboard

<https://www.dmas.virginia.gov/data-reporting/programs-services/waiver-services/>





**celebrating**  
**60**  
**Years of Medicaid**  
**EST. 1965**  
**CardinalCare**  
Virginia's Medicaid Program

Our mission is to improve the health and well-being of Virginians through access to high-quality health care coverage.



# Medicaid Birthday Trivia!

Questions 1:

What two Presidents were at the signing of the Medicare Act of 1965?

Questions 2:

What time was the bill signed?

Questions 3:

How many pages of the Medicare Act of 1965 was Medicaid?

Questions 4:

What were the 5 services that were initially mandatory in Medicaid?

Questions 5:

What was the first and last state to implement Medicaid?



# Cardinal Care Managed Care update

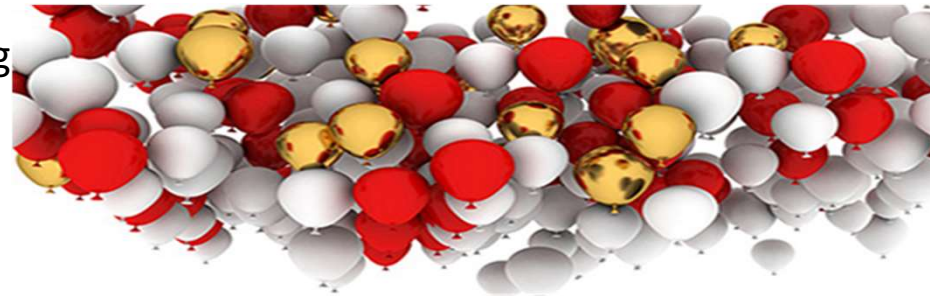


# WE ARE LIVE!



# Virginia launched Cardinal Care Managed Care on July 1, 2025, advancing its Medicaid program.

- Transitioned 1.7 million members into the program
- Focus on expanding behavioral health services and improving access as part of the **Right Help, Right Now** initiative.
- Enhanced access to appropriate services, supports and settings for members receiving Long Term Services and supports (LTSS)
- Humana Healthy Horizons of Virginia is CCMC's new MCO.
- Molina members were automatically transitioned to Humana Healthy Horizons of Virginia on July 1, 2025
- Children and Youth in foster care are served in a single statewide Foster Care Specialty Plan (FCSP) through Anthem HealthKeepers Plus
- Psychiatric Residential Treatment Facilities (PRTFs) will be added to the Health Plans on November 1, 2025.



**CardinalCare**  
Virginia's Medicaid Program



# New CCMC Implementation – Provider and Member Supports

[Applicants](#) ▾ [Members](#) ▾ [Providers](#) ▾ [Appeals](#) ▾ [Data & Reports](#) ▾ [News Updates](#) [About Us](#) ▾

## Learn More

Find answers to your questions. Cardinal Care Managed Care (CCMC) Transition Frequently Asked Questions (FAQs).

- [Humana Healthy Horizons Provider FAQ](#)
- [General Implementation Provider FAQ - Coming Soon](#)

View a recorded Virtual Cardinal Care Provider Education Session. Each recording includes the presentation given by DMAS and MCO representatives **and question and answer portion** of the event:

- Morning Virtual Cardinal Care Provider Education Session (June 13), [watch here](#).
- Afternoon Virtual Cardinal Care Provider Education (June 13), [watch here](#).

Watch a recording of the presentation **without** the question and answer portion or review a pdf of the presentation:

- Cardinal Care [Provider Education Session Recording](#) (YouTube Video)
- Cardinal Care [Provider Education Session Presentation](#) (pdf)

[Submit](#) questions to DMAS. The Cardinal Care FAQ will also be updated with additional information based on the questions received.

Review the new Provider bulletin, "[July 1, 2025 Implementation of New Cardinal Care Managed Care Contract](#)"

[Applicants](#) ▾ [Members](#) ▾ [Providers](#) ▾ [Appeals](#) ▾ [Data & Reports](#) ▾ [News Updates](#) [About Us](#) ▾

## Learn More!

View a recorded Virtual Cardinal Care Member Education Session. Each recording includes the presentation given by DMAS and MCO representatives and question and answer portion of the event:

- Morning Virtual Cardinal Care Member Education Session (June 10), [Watch here](#)
- Evening Virtual Cardinal Care Member Education (June 10), [Watch here](#)

Watch a recording of the presentation without the question and answer portion or review a pdf of the presentation.:

- Cardinal Care Member Education Session Recording (Video), [English](#) | [Spanish](#)
- Cardinal Care Member Education Session Presentation (pdf), [English](#) | [Spanish](#)

[Submit](#) additional questions about Cardinal Care Managed Care to DMAS. The Cardinal Care FAQ will also be updated with additional information based on the questions received.

# Cardinal Care Managed Care

***Cardinal Care Managed Care serves as the platform for a more person-centered, efficient, and accountable Medicaid delivery system in Virginia***





# Right Help, Right Now. Developmental Disabilities Updates



# Developmental Disability Waivers Operations and Policy Updates

CMS approved updates to FIS, CL, and CCC+ waivers (per GA mandates)

Implementation delayed until systems/regulations ready, now in effect:

- Removed education requirements for services facilitation providers
- Finalized LRI rules for personal care attendants
- Combined Assistive Tech & Electronic Home-Based Services: \$10,000 annual limit

**HCBS Final Settings Rule:** Reviews progressing ahead of schedule with strong provider support

# Developmental Disabilities Waiver Rate Advisory Workgroup

**In January of 2025, the judge terminated the Settlement Agreement in favor of a Permanent Injunction filed with the courts filed by both the Commonwealth and the Department of Justice after 12 year of work.  
DD Waiver Rate Study – Advisory Workgroup Kickoff started April 1, 2025.**

Complex Care is providing vendor support and guidance related to the eleven (11) services listed in the Permanent Injunction (Civil Action No. 3:12-cv-59-JAG).

1. Community Coaching
2. Community Engagement
3. Companion Care (including Consumer-Directed)
4. In-Home Support Services
5. Independent Living Supports
6. Personal Assistance (including Consumer-Directed)
7. Private Duty Nursing
8. Respite Care (including Center-Based and Consumer-Directed)
9. Skilled Nursing (including Congregate Nursing)
10. Therapeutic Consultation
11. Workplace Assistance





# Right Help, Right Now. Medicaid Behavioral Health Updates



# Update on SMI 1115 Waiver



**DMAS is amending 1115 demonstration waiver to add two services for adults 21-64 : inpatient psychiatric treatment and residential crisis stabilization**



**The program amendment remains under review with CMS. Federal public comment period was completed in early 2025.**



**SUD/ARTS and Former Foster Youth program is also under review for renewal, which expires 12/31/2025**

# RHRN Service Redesign - Project Overview – Go live July 2026

DMAS, in coordination with DBHDS, DHP and DMAS health plans, is employing an integrated and comprehensive approach to address rate, service, and workforce/provider roles for Medicaid over the next two years.

The project seeks to redesign DMAS' youth and adult legacy services: Intensive In-home, Therapeutic Day Treatment, Mental Health Skill Building, Psychosocial Rehabilitation, and Targeted Case Management.

The budget language authorizes DMAS to move forward with budget neutral changes to replace the legacy services with evidence-based, trauma-informed services.



# Project Updates

We are here! 



**June, 2025**

**Fiscal impact study completed**  
**Implementation plan developed**



**July, 2025**

**Phase 2 (Implementation) Launch!**  
**Rates Posted**



**August, 2025**

**Provider Readiness Survey Completed**  
**MAP Training Application**  
**DMAS/DBHDS Regs and Policy Development**  
**FFS/MCO Implementation Launch**



**September 2025**

**Informal public comment begins**  
**Provider office hours begins**  
**Provider Letter of Intent Developed**



**October 2025**

**Informal Public Comment continues**  
**Provider Letter of Intent Due to DBHDS**



# Federal Policy Actions

## H.R.1 – One Big Beautiful Bill Act (OBBBA)



# H.R.1 – One Big Beautiful Bill Act (OBBBA)



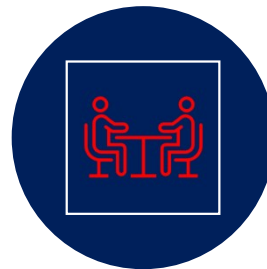
H.R. 1, the "One Big Beautiful Bill Act (OBBBA)", became law on July 4, 2025.



CMS implementation guidance will be forthcoming; Virginia-specific impacts will depend on guidance and directives.

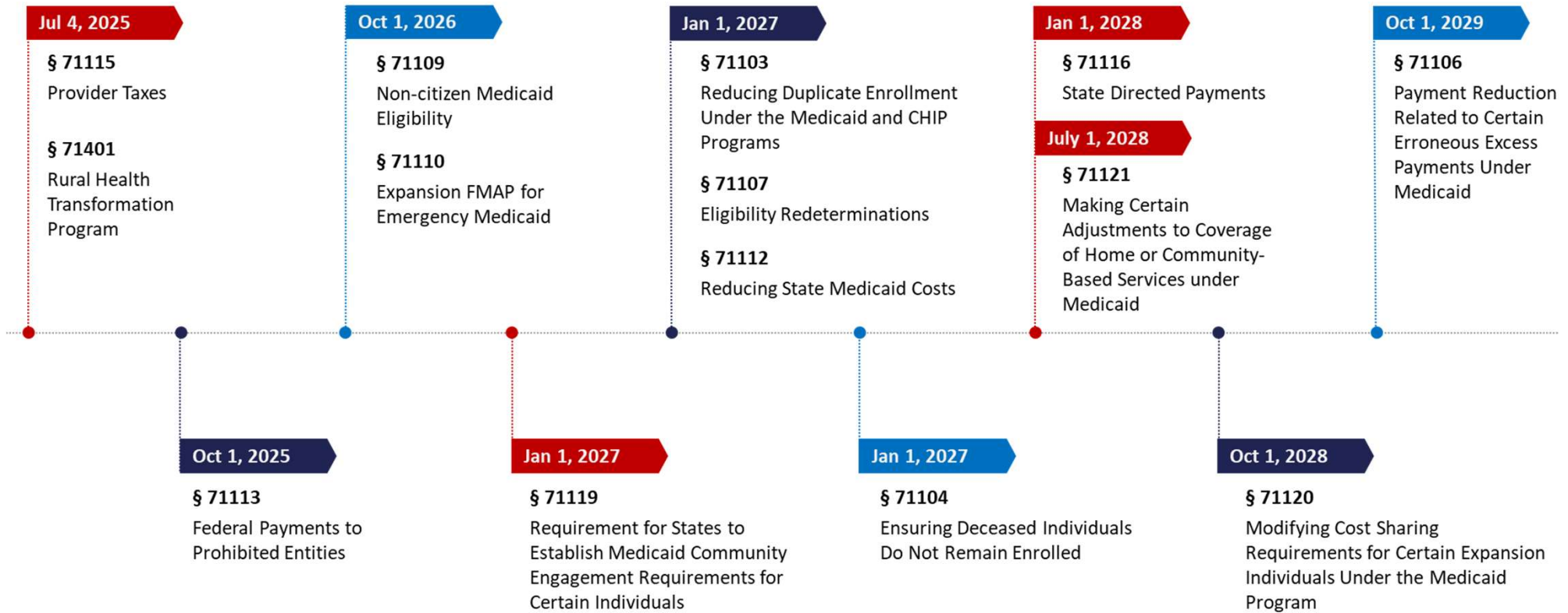


Implementation of Medicaid provisions will be a collaboration with input from the Governor's Office, the General Assembly, and federal partners.



Multiple collaborations will be needed to meet HR1 requirements.

# H.R.1 – OBBBA Timeline



# Subpart A Reducing Fraud and Improving Enrollment Process

## *Criteria for Expansion Only, and All Populations*

- ➔ **Frequency of Expansion Eligibility Redeterminations** (Section 71107)
  - ▶ Effective January 1, 2027
  - ▶ Requires a redetermination for Expansion enrolled individuals to occur every six months; currently redeterminations occur on an annual basis
  - ▶ Governor's Executive Directive directs Secretary of HHR to work with stakeholders and leverage best practices in implementation
  
- ➔ **Concurrent Enrollment & Deceased Individuals** (Section 71104, 71105)
  - ▶ Effective January 1, 2027/January 1, 2028
  - ▶ Requires states to obtain enrollee address information using reliable data sources
  - ▶ Requires states to review the Death Master File quarterly to identify deceased individuals

# Subpart A Reducing Fraud and Improving Enrollment Process

## *All Populations*

### ➔ **Immigrant Eligibility and Federal Match** (Section 71109-77110)

- ▶ Effective October 1, 2026
- ▶ Narrows the definition of qualified alien from current law
- ▶ Payments for services for an emergency medical condition furnished to an individual eligible for Expansion except for their citizenship status shall be limited to 50% federal match; currently 90%
- ▶ Operational impacts to systems and general fund impact due to match reduction

### ➔ **Payment Reduction Related to Certain Erroneous Excess Payments Under Medicaid** (Section 71109-77110)

- ▶ Effective October 1, 2029
- ▶ Pending CMS guidance, intent is to allow recoupment of erroneous payments beyond current Payment Error Rate Measure (PERM)
- ▶ Errors include payments made on behalf of ineligible individuals and when there is insufficient documentation to support eligibility
- ▶ The 3% error rate threshold applies to any audits conducted by the federal Secretary of Health and Human Services (HHS) and, at the Secretary's option, audits conducted by the state

# Subpart B Preventing Wasteful Spending and Subpart C Stopping Abusive Financing Practices

## ➔ **Retroactive Coverage** (Section 71120)

- ▶ Effective January 1, 2027
- ▶ Limits retroactive coverage to one month for Expansion and two months for all other individuals; current limits are three months for all populations except for CHIP/FAMIS

## ➔ **Provider Taxes** (Section 71115)

- ▶ Begins July 1, 2027
- ▶ No impact to Medicaid expansion funding levels in Virginia
- ▶ Virginia will retain three existing provider taxes
  - ▶ Coverage assessment (funds state share of Medicaid expansion)
  - ▶ Rate assessment (funds hospital supplemental payments)
  - ▶ Intermediate Care Facility assessment (funds ICF supplemental payments)
- ▶ Moratorium on submission of new provider taxes effective July, 2025
- ▶ Gradual decline in allowable provider assessments starting July 1, 2027 (from current 6% down to 3.5%)

## ➔ **State Directed Payments** (Section 71116)

- ▶ Effective January 1, 2028
- ▶ Supplemental payments above Medicare will be lowered to 100% of Medicare

## Subpart D Increasing Personal Accountability *Expansion Only*

### ➔ **Community Engagement and Work Requirements** (Section 71119)

- ▶ Effective December 31, 2026
- ▶ Requires individuals applying for or enrolled in Expansion to participate in a qualifying activity at least 80 hours per month to be eligible
- ▶ Exempts major groups such as parents and individuals with disabilities
- ▶ Qualifying activities: work, community service, education, or any combination of the above
- ▶ States must verify compliance at application for Medicaid and every six months thereafter

## Subpart D Increasing Personal Accountability *Expansion Only*

- ➔ **CMS is beginning to work on getting states the guidance that they need**
  - ▶ Developing guidance
  - ▶ Convening a workgroup of Medicaid directors and staff on implementation (Virginia is engaged)
  - ▶ Working with IT vendors on modules that states can use for implementation
  
- ➔ **States have options to consider when planning implementation**
  - ▶ Statute provides flexibility for what additional circumstances will temporarily exempt members from the requirements
  - ▶ States will make policy decisions, assess verification processes, and plan outreach
  - ▶ CMS may entertain implementation delays for good cause (up to one year)

## Subpart D Increasing Personal Accountability (*Expansion Only*) and Subchapter E Expanding Access to Care

### ➔ Cost Sharing

- ▶ Effective October 1, 2028
- ▶ *Requires cost sharing greater than zero for Expansion members with incomes above 100% of the Federal Poverty Level up to \$35 per service*
- ▶ Exceptions for: primary care, substance use disorder and mental health, services provided by FQHCs, rural and behavioral health clinics

### ➔ Adjustments to Home or Community Based Services (Section 71121)

- ▶ Effective July 1, 2028
- ▶ Creates a new standalone 1915(c) waiver that does not require participants to be subject to a determination that, but for the provision of home and community-based services (HCBS), those individuals would require nursing facility or ICF/IDD level of care
- ▶ Payments may not be made under the waiver to third parties for benefits such as health insurance, skills training, and other benefits customary for employees

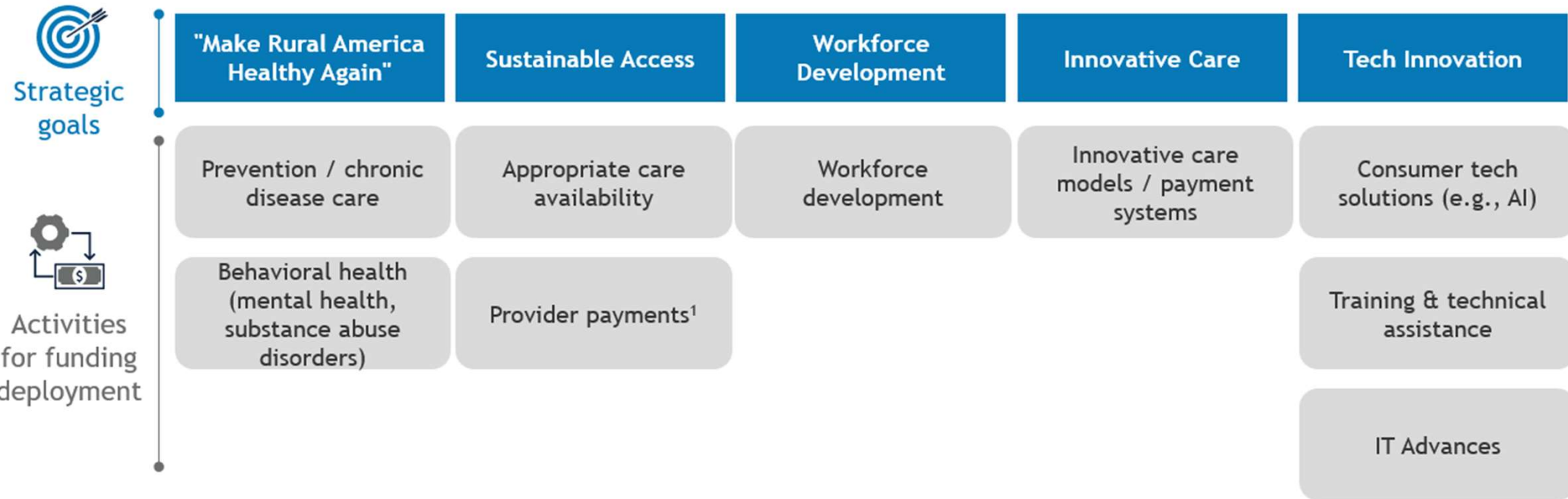
# H.R. 1 - Rural Health Transformation Program

## ➔ Rural Health Transformation Program

- ▶ Effective July 4, 2025, Between FY2026 and FY2030, the program will distribute \$50 billion, with Virginia eligible for up to \$500 million in direct allocations and access to additional competitive grants.
- ▶ Governor Glenn Youngkin issued **Executive Directive 12**, requiring Virginia health agencies and partners to **organize a coordinated effort to prepare for these investments** and ensure they are aligned with community priorities while maximizing long-term impact for rural families and providers.
- ▶ Virginia's one-time application detailing rural transformation plan to be approved or denied by CMS by December 31, 2025, makes the state eligible for all funding years.

# Rural Health Transformation Program (*continued*)

**5 strategic goals** prioritized by CMS with focus on *transformation* and *innovation* to improve rural health outcomes





The Secretary of Health and Human Resources facilitated rapid, broad, stakeholder outreach efforts that include:

- 12 On-site listening sessions in rural areas across Virginia.
- Outreach to members of the General Assembly on the development of the Rural Health Transformation Plan.
- A central email address has been established take questions and accept additional input.

[RuralTransformation@governor.virginia.gov](mailto:RuralTransformation@governor.virginia.gov)

# Stay Connected

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Newsletters &  
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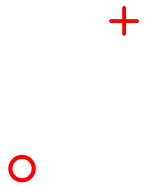


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# Provider Helpline

**Managed Care Helpline**

Tel: 1-800-643-2273

**Provider Helpline**

Tel: 1-800-552-8627

Tel: 1-804-786-6273



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**THANK YOU VNPP  
leadership and members!**  
**For continued partnership and all that You  
do for Medicaid Members.**