



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

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DIRECTOR

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July 1, 2020

The Honorable Calder Lynch  
Deputy Administrator and Acting Director  
Center for Medicaid & CHIP Services (CMCS)  
Centers for Medicare & Medicaid Services (CMS)  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Deputy Administrator Lynch:

On December 3, 2019, at the direction of Governor Ralph Northam, DMAS sent a letter to the Centers for Medicare & Medicaid Services (CMS) to delay finalizing several provisions of the 1115 Creating Opportunities for Medicaid Participants to Achieve Self-Sufficiency (COMPASS) waiver extension application as established in the 2018 Virginia Acts of Assembly Chapter 2, Item 303.SS(4)(e), including a work and community engagement requirement, premiums and other restrictive requirements for certain Medicaid beneficiaries. The letter cited recent changes in the state legislature, legal uncertainty and the substantial costs of implementation of these programs as reasons for seeking a “pause” in negotiations. As noted in CMS’ 1115 demonstration waiver extension approval notice dated December 30, 2019, CMS agreed to delay negotiations for these 1115 demonstration waiver components.

Since December, Virginia’s legislature has signaled their support of Governor Ralph Northam’s commitment to preserve access to health coverage in Virginia, a goal that was in conflict with the anticipated loss of medical care for tens of thousands of Virginians if work requirements and cost sharing were to become a reality. Passage of the Commonwealth’s 2020 - 2022 biennium budget on May 21, 2020 included the formal elimination of these COMPASS provisions, removing barriers to care and mitigating risks of coverage loss for Virginians. As such, DMAS is requesting a waiver amendment request to formally remove these components from its 1115 demonstration waiver application.

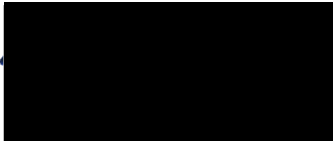
The existing Addiction Recovery and Treatment Services (ARTS) and former foster youth coverage provisions as well as the new High Needs Supports program would remain part

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of Virginia's 1115 demonstration waiver. As noted in our recent review of the High Needs Supports Special Terms and Conditions submitted on June 26, 2020, DMAS is proposing an alternative name for Virginia's 1115 demonstration waiver to better encompass the current ARTS and former foster youth coverage provisions, the new High Needs Supports program and any potential future programs. DMAS awaits CMS' approval of the proposed Section 1115 demonstration name change from "Addiction and Recovery Treatment Services (ARTS) Delivery System Transformation" to "Building and Transforming Coverage, Services, and Supports for a Healthier Virginia."

Thank you for your ongoing partnership as we have worked with CMS on this waiver amendment.

Sincerely,

A black rectangular redaction box covering the signature of Karen Kimsey.

Karen Kimsey, MSW

cc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources,  
Commonwealth of Virginia  
Judith Cash, Director, State Demonstrations Group, CMCS  
Margaret Kosherzenko, Health Insurance Specialist, CMS