

Medicaid Updates

Today's Speakers



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Today's Agenda

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SECTION 1

HR 1 Updates

HR 1- Work Requirements



Member Notices – Work Requirements

Medicaid Expansion members will get a notice by September 30, 2026 explaining the new work requirement.



Resources to Share with Members

PHONE

**Cover Virginia Call Center: 1-855-242-8282
(TDD: 1-888-221-1590)**

Live chat: [Coverva.dmas.virginia.gov](https://coverva.dmas.virginia.gov)

Visit – dmas.virginia.gov/news-updates/new-federal-requirements/

HR 1: Virtual Townhall Schedule

H.R.1 Medicaid Townhalls

DMAS will be holding virtual townhalls to discuss these changes in the coming weeks.

Session	Date	
Members and applicants	September 15, 2026	12pm-1pm
Providers	September 24, 2026	7:30am- 8:30am
Community stakeholders	October 22, 2026	6pm-7pm
General session	November 10, 2026	12pm-1pm
General session	December 2, 2026	12pm-1pm
General session	January 20, 2027	6pm – 7pm

HR 1: Changes Taking Effect in 2027



New Applicants

- Subject to new work requirement and six-month renewals beginning January 1, 2027.

For example: an individual who applies and is approved for Expansion coverage on January 13, 2027 will have coverage effective January 1, 2027 through June 30, 2027.

**WHEN someone must have met requirement:
THE MONTH BEFORE APPLYING**



Existing Members

- Subject to these changes at their first 2027 renewal, starting with those whose renewal is in March 2027.

For example: an individual with coverage effective through March 31, 2027 will have a renewal initiated in January by the state. If the individual is renewed, their coverage will be extended from April 1, 2027 to September 30, 2027.

**WHEN someone must have met requirement:
FOR AT LEAST 1 MONTH SINCE THEIR LAST ELIGIBILITY
DETERMINATION OR RENEWAL**

HR 1: Work Requirement Exemptions

Proof of the federal work requirements will only be required for individuals enrolled in the Medicaid Expansion benefit. DMAS plans to use as much available information it has, such as claims data, to identify those individuals enrolled in Medicaid Expansion that would qualify for an exemption. Individuals who qualify for an exemption will not be required to submit proof of the federal work requirements.

Important Exemptions from Work Requirements

- ✓ Former foster care youth (until age 26)
- ✓ American Indians and Alaskan Natives
- ✓ Parent, guardian, or family caregiver of a child under 14 or of an individual with a disability
- ✓ Veterans with a 100% disability rating
- ✓ Pregnant or within 12 months postpartum
- ✓ Medically frail individuals (those with a disability, mental health disorder, substance use or serious or complex medical condition)
- ✓ Meets SNAP or TANF work requirements
- ✓ Participating in a substance use treatment and rehabilitation program
- ✓ Currently or recently incarcerated
- ✓ Living in an area with a federally-declared emergency
- ✓ Living in a locality with a certain unemployment rate
- ✓ Received inpatient (or similar) care
- ✓ Traveled outside your community for your care or that of a dependent

HR 1: Medical Frailty Exemptions

Medical frailty exemption includes five categories of:

- i) individuals who are blind or disabled;
- ii) have a physical, intellectual, or developmental disability that limits their ability to perform one or more activities of daily living (ADL);
- iii) have a substance use disorder;
- iv) have a “disabling” mental disorder; or
- v) have a “serious or complex” medical condition.

DMAS must determine if the individual falls into one of the five categories, AND whether their condition impairs their ability to engage in the new work requirements (in June, this requirement was added by the federal government).

HR 1: Medical Frailty Exemptions

DMAS will use data from the preceding 12 months to verify whether an exemption applies at the time of application or redetermination. Individuals receiving SSI/SSDI benefits, dual Medicare/Medicaid enrollees will be exempt, and individuals receiving long term care services and supports will also likely be exempt. However, more guidance is forthcoming.

Provider certifications/notes are NOT required for any exemption in 2027. DMAS will accept self-attestation throughout 2027. Starting in 2028, DMAS must limit self-attestations of medical frailty to one.

We will be updating the application and renewal forms to ask questions related to work requirements, including health-related exemptions. In most cases, filling out those materials will be enough to report an exemption or qualifying activity in 2027.

DMAS intends on using its data to apply the exemption status to individuals who are:

1. Enrolled in and receiving Long Term Care or Long-Term Services and Supports including:
CCC Plus Waiver; DD Waiver; Nursing Facility Services; PACE
2. Have a documented substance use disorder or recovery status (for up to 5 years) with applicable service history.
3. Have a Serious Mental Illness applicable service history.

SECTION 2



CCBHC Study

RR. The Department of Medical Assistance Services (DMAS) shall:

- (i) identify the steps necessary for Virginia to effectively and efficiently transition to a prospective payment system (PPS) as required to fully adopt the Certified Community Behavioral Health Clinic (CCBHC) model;
 - (ii) estimate any fiscal impact to the state and to Community Services Boards (CSBs); and
 - (iii) report findings to the Chairs of House Appropriations and Senate Finance and Appropriations Committees, and the Behavioral Health Commission by December 1, 2026.
- As part of this report, DMAS shall: estimate a timeframe for transitioning to PPS and examine the actions needed with respect to rate setting the approval process from the Centers for Medicare and Medicaid Services Managed Care Organization (MCO) contract modifications electronic health records and billing system updates and any other necessary changes. DMAS shall also identify ways to reduce the billing and reimbursement challenges that have been experienced by CSBs under the current Medicaid model."

SECTION 3

Re-Entry Targeted Case Management

Re-Entry Targeted Case Management

- This is a required Medicaid benefit for youth and former foster youth; there is an associated waiver which Virginia has not pursued (to cover for adults)
- Benefit went live July 1, 2026
- 38 CSBs are currently enrolled as providers
- Data sharing with Department of Corrections (DOC) and referral process is live
- Work with Department of Juvenile Justice (DJJ) as well as a local pilot is ongoing

SECTION 4

Behavioral Health Redesign

Example Policy Feedback and Changes (CPST-Community)

Requirement	Sept 2025 draft	Dec 2025 draft	June 2026 draft
Office-based services per member	1 hour per week	2 hours per week	3 hours per week
Monthly billing cap, non-licensed staff	504 units	600 units	750 units, measured on a rolling 6-month average
Tier 1 service intensity	4–6 hours per month	Average 2–3 hours per week	Average 2–3 hours per week; 204–300 units per 6-month authorization
Tier 2 service intensity	7–28 hours per month	20–32 hours per month	20–32 hours per month; 480–768 units per 6-month authorization, plus 16 units per month for psychotherapy
Admission directly to Tier 2	Tier 1 must have been insufficient	Tier 1 must have been insufficient	Allowed when documented severity warrants it
CANS Lifetime timing at admission	Within 30 days	Within 30 days	Within 12 months, with LMHP review if older than 30 days; another provider's CANS accepted with consent
Urgent access before CANS	Not available	Not available	Provisional authorization up to 30 days
Staff per supervisor	Maximum 9	Staff cap removed; 120-case LMHP oversight limit	Staff cap removed; LMHP oversight limits of 75–120 cases based on team composition
LMHP 90-day contact	In person	Face-to-face (telehealth allowed)	Face-to-face, with defined content options

Example Policy Feedback and Changes (CPST-Community)

Requirement	Sept 2025 draft	Dec 2025 draft	June 2026 draft
Monthly supervision, full-time non-licensed staff	4 hours of LMHP supervision; at least half in person	2 hours supervision plus supervision-related activities (4 hours total)	Same as Dec, with at least 1 hour individual
Who may provide supervision	LMHP Clinical Supervisor employed by the agency	LMHP employed by the agency	LMHP employed by or under contract with the agency
Non-licensed staff caseload limits	Full-time: 20 (Tier 1), 8 (Tier 2), 20 blended; part-time: 14 / 6 / 14 with hours-based formulas	Single blended cap of 20 (Tier 2 counts 2.5)	Weighted cap of 20 for staff delivering life skills, care coordination, or crisis support; agency policy governs other
On-call crisis consultation LMHP	2 years SMI/SED experience; available to all staff 24/7	2 years; on-call through agency policy	1 year experience
Clinical Director / Clinical Supervisor licensure	Fully licensed LMHP	Fully licensed LMHP	LMHP-type with ≤50% of supervised hours remaining allowed through June 2029
Progress review before alternative plan	90 days	180 days	180 days, with listed evidence options
Exceptions to standalone EBP exclusion	MCO/EPSTDt determination only	Adds: EBP tried and failed	Adds: EBP not accessible, or member's reasonable preference
Youth Tier 2 caregiver participation	At least 2 hours per week	At least 2 hours per week	At least 1 hour per week
Accreditation deadline	18 months from July 1, 2025	18 months from July 1, 2026	18 months from enrollment in new CPST specialties

Example Policy Feedback and Changes (Clubhouse)

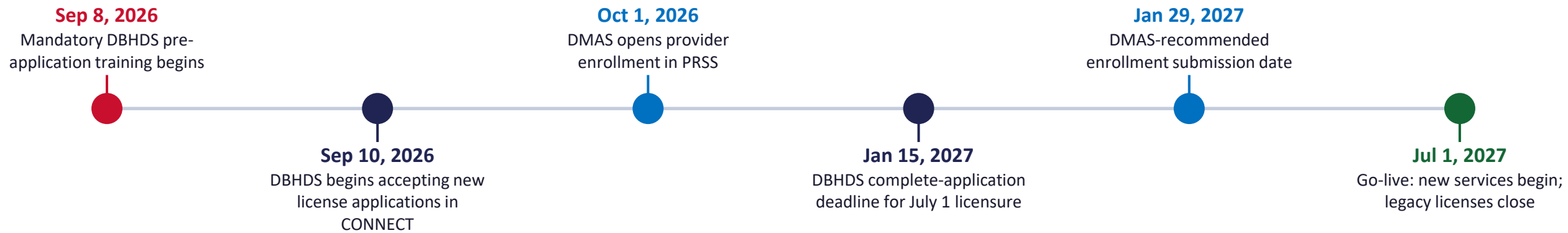
Requirement	Nov 2025 draft	Mar 2026 draft
Staff-to-member ratio	1 staff to 15 members	1 staff to 20 members during program hours; RSB groups up to 20 members per staff
Assessment at admission	New in-person assessment before services begin	New assessment, or an in-person update of one completed within the prior 12 months; may be done at the Clubhouse
Authorization period	365 days, 240 units	6 months, 120 units per authorization; minimum of 24 consecutive months of service
Returning after an absence	Not addressed	Members may return after any absence without reauthorization or reassessment unless formally discharged
Continued stay standard	Member must be expected to improve, shown by objective measures	Maintaining skills, community connection, or preventing deterioration or higher levels of care also qualifies
Discharge for non-engagement	After multiple reasonable engagement attempts	Last resort, after at least 120 days of non-attendance and 3 outreach attempts by varied methods; members may also choose to discharge
Services that cannot be authorized alongside Clubhouse	10 services, including ACT, Coordinated Specialty Care, Partial Hospitalization, and ASAM 2.1–3.7	7 services; ACT, Coordinated Specialty Care, Partial Hospitalization, and ASAM 2.1–3.5 removed
Employment support exclusions	Job-specific skills training, workplace presence, job development, business outreach, and onsite educational support not reimbursable	Exclusion list removed
Requirement to bill a day (H2031)	At least two required activities, one in person	In-person RSB alone; or two other components in person; or an initial or annual assessment
Assessment that finds a person ineligible	Not billable	Billable under code 90791

Example Policy Feedback and Changes (Clubhouse)

Requirement	Nov 2025 draft	Mar 2026 draft
Progress notes	A note for each service, written only by the staff member who delivered it	Same-day attendance log plus one weekly progress note; notes may be co-written or drafted by the member
Crisis support	Available as needed; in-person support must be offered	Immediate on-site support during program hours; outside those hours, an individualized crisis plan with referral pathways
Age	Not specified	18 or older with no maximum age; EPSDT applies under 21
Program Director	LMHP, LMHP-type, or QMHP with Clubhouse International training	Full-time, with the same credentials and training
On-site staffing	Not specified	At least 2 staff physically present at all times
Staff supervision	Not specified	At least 1 hour per month for all staff; up to 9 staff per supervisor
Accreditation, new providers	Clubhouse International accreditation within 4 years	Application within 18 months; full accreditation within 3 years; extensions possible for good-faith progress
Accreditation, CARF Community Integration providers (before Jan 1, 2026)	Exempt from Clubhouse International accreditation	Application within 36 months and full accreditation within 5 years
Training for new Clubhouses	LMHP and Program Director trained by Clubhouse International	A team, including at least one member, attends a Clubhouse International training base within 12–18 months

The Road to July 1, 2027

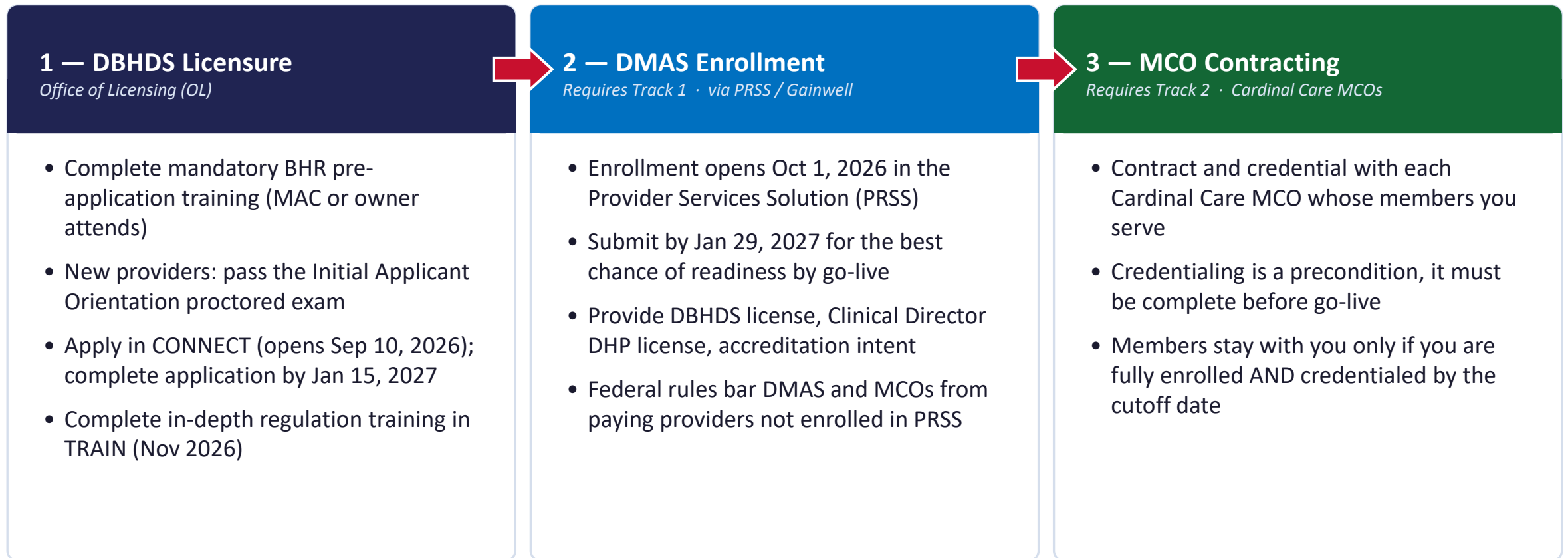
Legacy CMHRS services end and the new service array goes live on July 1, 2027. Readiness is a sequence of dated steps — several with their own clocks — that must all be complete before go-live.



Applications requiring resubmission may not be licensed in time — providers are strongly encouraged to submit early.

Three Sequential Tracks to Go-Live

Readiness means completing all three tracks in sequence — DBHDS licensure enables DMAS enrollment, which in turn enables MCO contracting and credentialing.



DBHDS Mandatory Pre-Application Training

Before you can apply, the right people must complete the required training. Applications submitted without it are administratively withdrawn or rejected — restarting the clock.



Currently Licensed Providers

- Complete the mandatory BHR Pre-Application Training before submitting a service modification
- Skip it and the application is administratively withdrawn — you start over
- Submit policy & procedure documents via Provider Portal Message
- Service modifications are reviewed before prospective-provider applications



Prospective (New) Providers

- Complete Initial Applicant Orientation Training and pass the proctored exam
- Then attend the mandatory BHR Pre-Application Training
- Apply only with proof of both — otherwise the application is rejected
- At least one participant must be the owner or Main Authorized Contact (MAC)

The Main Authorized Contact (MAC) for the organization is required to attend. In-depth regulation training follows in TRAIN in November 2026.

Summary of Grace Periods- DRAFT Policies for Post Go-Live Grace Periods

CPST

Requirement	Grace Period (as written)	Months	Clock Starts
Clinical Director / LMHP Clinical Supervisor may hold LMHP-type status (≤50% of Board-approved supervision hours remaining)	Through June 30, 2029	24	Fixed sunset date
DMAS honors specific DBHDS variances regarding the Clinical Director	Through 06/30/2029	24	Fixed sunset date
Provider accreditation	18 months from effective date of provider specialties in DMAS enrollment system	18	Specialty 924/925/926 effective date
MAP Therapist Credential — existing LMHP/LMHP-types	18 calendar months from agency's DMAS enrollment effective date for specialty 924/925	18	Specialty 924/925 enrollment effective date
MAP Therapist Credential — newly hired LMHP/LMHP-types	18 calendar months from hire date	18	Staff hire date
Required skills training (FSC, IS Curriculum, BHT Academy) — all staff	12 calendar months from agency's DMAS enrollment effective date for specialty 925	12	Specialty 925 enrollment effective date
Required skills training — newly hired staff	12 calendar months from hire date	12	Staff hire date

Summary of Grace Periods- DRAFT Policies for Post Go-Live Grace Periods

Clubhouse

Requirement	Grace Period (as written)	Months	Clock Starts
Send team (incl. at least one Clubhouse member) to authorized Clubhouse International training base	Within first 12–18 months of operation (deadline calculated at 18 months)	18	Start of operation
Submit completed Clubhouse International accreditation application	Within 18 months of DMAS enrollment	18	DMAS enrollment
Obtain full Clubhouse International accreditation	Within 3 years of DMAS enrollment; annual progress assessed by DMAS/DBHDS; extensions possible with good-faith engagement	36	DMAS enrollment
Former PSR providers w/ CARF 'Community Integration' accreditation before 1/1/2026 — CI accreditation application	Within 36 months of DMAS enrollment	36	DMAS enrollment
Former PSR providers w/ CARF 'Community Integration' accreditation before 1/1/2026 — full CI accreditation	Within 5 years of DMAS enrollment	60	DMAS enrollment

SECTION 5



Protecting Members Through the Transition

Continuity of Care Is the Priority

The core operating principle: no member experiences a gap in medically necessary services during the transition.

Members are identified in advance

CCMCOs and Acentra build a transition roster of everyone with an active IIH, TDT, MHSS, or PSR authorization, refreshed as go-live approaches.

Authorizations transition — providers don't reapply

The CCMCO or Acentra converts each authorization per the crosswalk so a valid authorization is in place on July 1, 2027. No member must be reassessed first.

The CANS Lifetime is completed after go-live

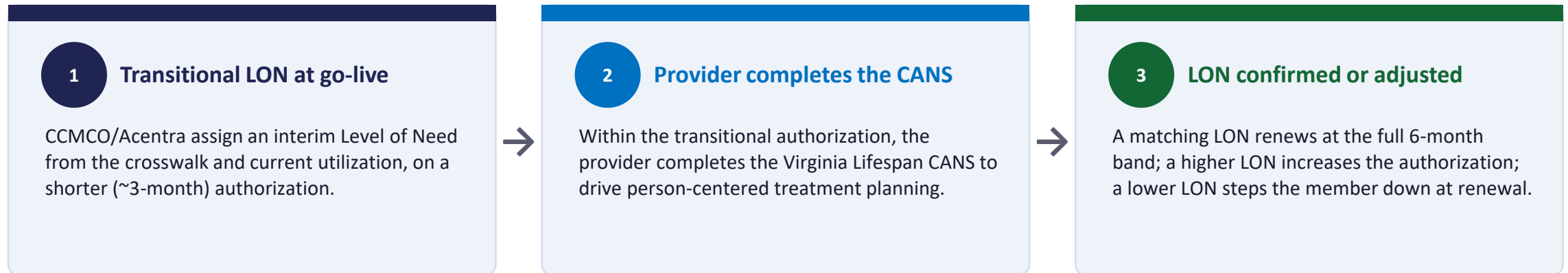
The crosswalk sets the initial service; the CANS later confirms or adjusts the Level of Need. A Transitional LON keeps authorizations flowing in the interim.

Enrollment is a precondition

Members stay with their current provider ONLY if that provider is fully enrolled and credentialed. If not, they are transitioned — with care-coordinator support and member choice.

CANS Implementation After Go-Live

The Virginia CANS Lifetime (Child and Adolescent Needs and Strengths) is not completed before July 1, 2027. Authorizations transition on the crosswalk; providers complete the CANS after go-live to confirm or adjust each member's Level of Need.



Who completes the CANS

- LMHP / LMHP-types complete the assessment, including diagnostic components
- CANS-certified QMHP / QMHP-Ts may assist with non-diagnostic components
- Repeated at least every 365 days until discharge; LON drives tier, timeframe, and units

CANS training & certification

- Staff certify on the Virginia CANS Lifetime before completing assessments
- Certification is obtained and renewed through the CANS training vendor; keep certifications current
- The CANS-to-LON scoring algorithm is being finalized; interim utilization bands guide transitional assignments

Your Readiness Checklist

Licensure, enrollment & MCO

- ✓ DBHDS license obtained (03-020 / 03-021), active
- ✓ DMAS enrollment complete in PRSS
- ✓ Contracting & credentialing underway with each Cardinal Care MCO
- ✓ Accreditation initiated; staff on the CPST Finder

Staffing & training

- ✓ Full-time LMHP Clinical Director; supervisors identified
- ✓ Youth: ≥1 MAP Credentialed Therapist; MAP pathway underway
- ✓ Adult: each LMHP/-type in one required EBP
- ✓ FSC / IS / BHT Academy enrollment underway; CANS certification planned

Operations & policy

- ✓ Required policies drafted (crisis, caseload, EBP, etc.)
- ✓ Caseload & 750-unit trackers built (6-mo rolling)
- ✓ Supervision schedule at credential minimums
- ✓ Clinical cadence built into the EHR (incl. 365-day CANS)

Billing

- ✓ H0036 + component/credential/population modifiers set
- ✓ Face-to-face-only & non-billable travel communicated
- ✓ Simultaneous-billing rule configured & documented

Where to Find More Online

Bookmark these pages and check them regularly — draft manuals, FAQs, training schedules, and enrollment guidance are posted and updated as the transition progresses.

DMAS

Behavioral Health Services Redesign

dmas.virginia.gov → [For Providers](#) → [Behavioral Health](#)

- Draft policy manuals and the informal public-comment materials
- Provider readiness analyses, rate study, and milestones/timeline
- Webinar recordings and FAQ documents
- Provider Open Office Hours schedule (twice monthly)

DBHDS

Office of Licensing

dbhds.virginia.gov → [Quality Management](#) → [Office of Licensing](#)

- New-service licensure guidance and application instructions
- CONNECT provider portal for applications & service modifications
- Pre-application and TRAIN regulation-training information
- Licensing bulletins communicated directly to current providers

Also keep current in PRSS: vamedicaid.dmas.virginia.gov · Questions: enhancedBH@dmas.virginia.gov / olbhrdsupport@dbhds.virginia.gov

Next Steps

1

Complete the mandatory training

The MAC or owner completes the BHR pre-application training (and, for new providers, the Initial Applicant Orientation and proctored exam).

2

Apply, enroll, then contract

Submit a complete DBHDS application by Jan 15, 2027; DMAS enrollment by Jan 29, 2027; then contract and credential with each Cardinal Care MCO.

3

Stand up your program in parallel

Hire and train the team, draft required policies, build caseload trackers, and configure billing.

4

Confirm all deadlines with your payers

Licensure by DBHDS does not guarantee enrollment — verify dates with DMAS, the CCMCOs, and other payers.

Resources

Questions & comments
enhancedBH@
dmas.virginia.gov

Licensing support
olbhrdsupport@
dbhds.virginia.gov

Office Hours
Twice monthly, for BH
Redesign questions



Thank you for your participation.

Together we are building a more responsive behavioral health system for Virginians.

