

Virginia Birth-Related Neurological Injury Compensation Program

July 11, 2017

Dear Families:

We are writing to let you know that the Virginia Birth Injury Program (the "Program") will be processing your requests for reimbursement and payments in a different fashion beginning August 15, 2017. Changes in the way the Program operates are necessary because the Department of Justice has informed the Program and the Virginia Department of Medical Assistance Services ("DMAS")¹ that Medicaid must be the last source of payment for a Program beneficiary's eligible medical expenses².

The Program will continue to provide a lifetime of care for all Program beneficiaries. Only the manner in which the Program does so is changing.

The Governor's amendments to the 2017-2018 Virginia Budget Act make the changes possible. As a result of the amendments, the Program will reimburse the portion of the premiums all Program beneficiaries' parents or guardians pay for each Program beneficiary's coverage under private health insurance policies for periods after July 1, 2017 and after a Program beneficiary's entry into the Program.

The Program is also in the process of hiring a facilitator to help parents or guardians select private health insurance policies for Program beneficiaries whose primary health insurance coverage has been provided by Medicaid. Parents or guardians of Program beneficiaries whose primary health insurance coverage has been provided by Medicaid will need to obtain private health insurance policies to provide the Program beneficiary's primary coverage going forward.

A lifetime of help

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Although Program beneficiaries' primary coverage will be provided by private health insurance policies, Program beneficiaries who remain eligible for the Medicaid program for certain expenses will continue to be enrolled in Medicaid. Those who remain eligible for Medicaid can use Medicaid for secondary coverage and for coverage of expenses that are not covered by the Birth Injury Act.

Because the Birth Injury Program, rather than the Medicaid program, will make initial claims determinations and payments of medical expenses, the Program is also hiring a Third Party Administration company ("TPA"). Beginning August 15, 2017, this TPA will handle most claims not processed under the Program beneficiary's private insurance policy.

¹ DMAS is the agency that administers the Virginia Medicaid program.

² Eligible medical expenses are the expenses resulting from the birth injury and that are covered by the Birth Injury Act.

In the near future, the Program will provide instructions concerning how to submit reimbursement or payment requests that are not covered by insurance to the Program's Third Party Administrator or an appropriate staff person, rather than to the Medicaid program, for processing.

The Program and DMAS, in coordination with each other, will contact those who need to obtain private health insurance policies to help them do so. DMAS staff will also be available to respond to any Medicaid service or coverage questions during the transition process.

In summary,

- If a Program beneficiary is covered by Medicaid, the Program will help the beneficiary's parents or guardians obtain private health insurance for the beneficiary at no cost to them.
- Those who remain eligible for Medicaid will continue to be enrolled in Medicaid for expenses not covered by the Birth Injury Act and for expenses remaining after all other sources of payment have been made.
- If a Program beneficiary's primary coverage is already provided by a private insurer, beginning July 1, 2017, the Program will pay the applicable portion of the premiums.

Additional details regarding these changes will be available soon.

The Program will continue to provide reimbursement or payment of medical expenses covered by the Birth Injury Act regardless of a Program beneficiary's insurance status. The Board of Directors and staff greatly appreciate your cooperation and patience throughout this transition.

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On Behalf of the Board,

CC:

Neal C. Schulwolf, Esquire

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Chairman of the Board of Directors

Cynthia B. Jones, Director, DMAS