



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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MEMORANDUM

TO: The Honorable Richard D. Brown
The Honorable William A. Hazel, Jr., M.D.

FROM: Gregg A. Pane, MD, MPA *GP*

SUBJECT: December 2010 (FY2011) Medicaid Expenditures

This is the Medicaid Expenditure Report for expenditures through December 2010. The last Report that DMAS submitted was the June 2010 report, which reported on all of fiscal year 2010. Like all previous reports, the December report is cumulative and covers fiscal year 2011 to date. Therefore, no new information would be added by going back and preparing separate reports for each month since June.

The attached table presents year-to-date expenditures and the percent change in expenditures, by line, since last year, as well as the percent change assumed in the Official 2010 Consensus Forecast which was fully funded in Governor McDonnell's Introduced Budget.

There are some significant apparent discrepancies between actual expenditures to-date in FY2011, and the expenditures supported by the Consensus Forecast. Overall, the year-to-date total Medicaid expenditures are calculated to be 5.0% higher than last year's expenditures as of December 2010, while the forecast and funding in the Introduced Budget projects annual growth of 8.1%. Explanations are included to provide details regarding specific line items where the current year-to-date growth rate is not representative of the year-end growth rate.

cc: Daniel Timberlake, Department of Planning and Budget
Joe Flores, Senate Finance Committee
Susan Massart, House Appropriations Committee
Seta Vandegrift/file

**Department of Medical Assistance Services
Summary Report on Medicaid Expenditures / Recoveries
For State Fiscal Year 2011**

	(1)	(2)	(3)	(4)	(5)	(6)
	Official Forecast	Year-To-Date: Dec 2010			Assumed Growth Official Forecast	Explanation
		FY 2011	FY 2010	% Change		
Managed Care	1,844,379,197	1,050,088,832	904,318,952	16.1%	16.0%	
Inpatient Hospital	912,715,434	553,806,560	546,199,113	n/a*	3.5%	*because of timing of large quarterly and YE payments
Outpatient Hospital	142,743,532	85,547,331	80,423,271	6.4%	5.8%	
Physician Services	174,231,828	104,291,683	105,015,106	-0.7%	-2.2%	
Pharmacy	161,047,034	60,090,601	88,769,774	n/a*	-7.4%	*because of timing of rebates
Medicare Premiums Part A & B	258,262,854	149,449,921	147,108,278	n/a*	3.5%	*because FY10 had a double pmt in July
Medicare Premiums Part D	143,940,501	81,541,555	101,184,748	n/a*	23.0%	*because of ARRA adjustment last year
Dental Services	126,741,573	79,160,018	72,534,387	9.1%	3.5%	
Transportation Services	78,932,155	45,348,708	44,807,004	1.2%	2.4%	
All Other Services	266,018,692	146,354,471	146,796,622	n/a*	8.6%	*because of timing of YE payments and transfers
Total General Medicaid (45609)	\$4,109,012,800	\$2,355,679,680	\$2,237,157,256	5.3%	9.0%	
Nursing Facility	814,600,805	492,670,752	478,725,793	2.9%	2.7%	
Home/Community Waiver Services	1,046,864,019	609,173,951	564,851,937	7.8%	9.9%	Personal Care/Respite not running low; \$2m/mo low in Hab for 2 months;
MR Case Management	30,937,002	18,019,689	17,073,358	5.5%	4.7%	
Other Long-Term Care	92,721,609	52,636,718	47,721,330	10.3%	13.8%	
Total Long-Term Care (45610)	\$1,985,123,435	\$1,172,501,111	\$1,108,372,417	5.8%	6.9%	
State Plan Option Services	462,498,157	258,032,925	261,058,006	-1.2%	7.0%	IIH has run \$1m/mo low in 2 of 3 mo; TDT had one \$4m low month; cyclical nature of srvc along with peaking of expends last year makes year over year %s incomparable
Mental Illness Services	40,549,107	22,609,115	19,924,209	13.5%	-7.5%	
MH Case Management	95,010,043	55,879,158	52,955,213	5.5%	5.5%	
Total Mental Health (45608)	\$598,057,307	\$336,521,198	\$333,937,429	0.8%	5.6%	
Total Medicaid Forecast Expenditures	\$6,692,193,542	\$3,864,701,988	\$3,679,467,102	5.0%	8.1%	

Medicaid