



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

JENNIFER S. LEE, M.D.
DIRECTOR

February 4, 2019

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MEMORANDUM

TO: The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

Daniel Timberlake
Director, Department of Planning and Budget

FROM: Jennifer S. Lee, M.D. 
Director, Virginia Department of Medical Assistance Services

SUBJECT: Monthly Report on November Medicaid Expenditures due December 20, 2018

This report is submitted in compliance with Item 307.B of the 2018 Appropriation Act which states:

“The Department of Medical Assistance Services shall submit monthly expenditure reports of the Medicaid program by service that shall compare expenditures to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. The monthly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees within 20 days after the end of each month.”

- The “Official Forecast” column represents the most recent forecast that was submitted to the General Assembly November 1, 2018.
- “Funding Adjustments” represent budget execution adjustments.
- “Total Medicaid Expenditures” represent all activities included in the official forecast. Appropriations for Children’s Services Act and State-owned Mental Health and Intellectual Disabilities Facilities (Program number 45607) are provided outside of the forecast process.

November Medicaid Expenditure Report

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- Funds for “Healthcare Coverage for Low-Income Uninsured Adults” (Medicaid Expansion) were provided in Chapter 2 of the 2018 Appropriations Act. Coverage begins January 1st, therefore, there are no expenditures to date. The non-federal share of Expansion is funded by an assessment on private acute care hospitals. No General Fund will be utilized for coverage of this new population.
- “Supplemental Rate Assessment Payments” is a new initiative required by Chapter 2 of the 2018 Appropriation Act to provide supplemental payments to certain hospitals. Those payments will begin in February 2019.
- There are a significant number of variances over 2018 spending due to full implementation of a managed care program for long-term services and supports (Commonwealth Coordinated Care Plus Program). In addition, behavioral health services are moving into Medallion 4.0 (Low-Income Adults and Children) on a rolling basis this fiscal year. This results in fewer expenditures in the fee-for-service line items and more in the managed care ones compared to last year.
- Section 307U of Chapter 2 of the 2018 Appropriation Act stipulates how the department should handle pharmacy rebates on a quarterly basis. While this has created large variances over last year’s expenditures, we do not anticipate that the year-end amounts will vary significantly over forecast expectations.
- The monthly adjustment of expenditures from Mental Health Residential Services to Children’s Services Act was not available and will be included in the January report.
- The balance remaining in Behavioral Health & Rehabilitative Services for the Base Medicaid population is only 16%. These services are largely moving into managed care on a rolling basis through December in the Medallion 4.0 program. At this time, we do not expect the balance at the end of the fiscal year to vary significantly from the official forecast for the sum of those services.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

JSL/

Enclosure

pc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources

Department of Medical Assistance Services
Summary Report on Medicaid and CHIP Expenditures -- November FY2019

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through November FY2019	Balance Remaining Amount %		
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	2,491,551,884	3,960,528,581	61%	
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	641,086,436	789,482,026	55%	
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	155,516,711	30,559,415	16%	
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	613,721,852	828,968,887	57%	
	Hospital Payments	657,789,477	-	657,789,477	3%	359,049,194	298,740,283	45%	
	Disallowance	57,972,976	-	57,972,976		-	57,972,976	100%	
	Supplemental Rate Assessment Payments	376,883,647	-	376,883,647		-	376,883,647	100%	
	Mental Health Services CSA	-	71,713,945	71,713,945	-3%	26,943,177	44,770,768	62%	
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	43,300,497	80,371,265	65%	
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	4,331,169,752	6,468,277,848	60%	
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,129,261,473	3,186,578,726	60%	
	Rate Assessment	188,441,824	-	188,441,824		-	188,441,824	100%	
	State Funds	5,266,639,379	28,526,197	5,295,165,576	14%	2,201,908,279	3,093,257,297	58%	
Medicaid Expansion	General Medical Care: MCOs	901,253,203	-	901,253,203		-	901,253,203	100%	
	General Medical Care: Fee-For-Service	94,595,365	-	94,595,365		-	94,595,365	100%	
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471		-	2,109,471	100%	
	Long-Term Care Services	1,619,423	-	1,619,423		-	1,619,423	100%	
	Hospital Payments	7,659,970	-	7,659,970		-	7,659,970	100%	
	Supplemental Rate Assessment Payments	86,590,915	-	86,590,915		-	86,590,915	100%	
	Total Medicaid EXPANSION Expenditures	1,093,828,347	-	1,093,828,347		-	1,093,828,347	100%	
		Federal Funds	1,017,299,763	-	1,017,299,763		-	1,017,299,763	100%
	Rate Assessment	6,061,364	-	6,061,364		-	6,061,364	100%	
	Coverage Assessment	70,467,221	-	70,467,221		-	70,467,221	100%	
	State Funds	-	-	-		-	-		
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	4,331,169,752	7,562,106,195	64%	
		Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,129,261,473	4,203,878,489	66%
		Rate Assessment	194,503,188	-	194,503,188		-	194,503,188	100%
		Coverage Assessment	70,467,221	-	70,467,221		-	258,909,045	100%
		State Funds	5,266,639,379	28,526,197	5,295,165,576	14%	2,201,908,279	3,093,257,297	58%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	84,967,090	128,785,441	60%	
		Federal Funds	188,474,155	-	188,474,155	8%	74,818,717	113,655,438	60%
		Special Funds	14,065,627	-	14,065,627	0%	8,000,000	6,065,627	43%
		State Funds	11,212,749	-	11,212,749	23%	2,148,373	9,064,376	81%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	76,607,042	111,081,132	59%	
		Federal Funds	165,885,593	-	165,885,593	13%	67,453,995	98,431,598	59%
	State Funds	21,802,581	-	21,802,581	17%	9,153,047	12,649,534	58%	

Department of Medical Assistance Services
Detail Report on Medicaid and CHIP Expenditures -- November FY2019

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through November FY2019	Balance Remaining Amount	%
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	2,491,551,884	3,960,528,581	61%
	Capitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	21%	825,541,336	1,421,537,519	63%
	Capitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	-91%	27,094,185	51,070,429	65%
	Capitation Payments: Duals/CCC Program	4,491,011	-	4,491,011	-97%	4,491,011	-	0%
	Capitation Payments: CCC+ Program	4,337,525,517	-	4,337,525,517	100%	1,724,968,478	2,612,557,039	60%
	MCO Pharmacy Rebates	(215,179,532)	-	(215,179,532)	-28%	(90,543,126)	(124,636,406)	58%
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	641,086,436	789,482,026	55%
	Inpatient Hospital	298,635,198	-	298,635,198	-15%	142,543,248	156,091,950	52%
	Outpatient Hospital	83,653,363	-	83,653,363	-16%	38,805,745	44,847,618	54%
	Physician/Practitioner Services	94,131,719	-	94,131,719	-24%	42,161,010	51,970,710	55%
	Clinic Services	95,540,514	-	95,540,514	-25%	36,662,014	58,878,500	62%
	Pharmacy	53,884,192	-	53,884,192	-35%	32,061,796	21,822,397	40%
	FFS Pharmacy Rebates	(22,056,422)	-	(22,056,422)	-51%	-	(22,056,422)	100%
	Medicare Premiums Part A & B	326,567,029	-	326,567,029	1%	134,644,079	191,922,950	59%
	Medicare Premiums Part D	257,991,210	-	257,991,210	2%	107,142,351	150,848,860	58%
	Dental	153,213,615	-	153,213,615	0%	68,641,556	84,572,059	55%
	Transportation	51,713,777	-	51,713,777	-23%	19,263,055	32,450,723	63%
	All Other	37,294,265	-	37,294,265	-56%	19,161,583	18,132,682	49%
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	155,516,711	30,559,415	16%
	MH Case Management	12,981,422	-	12,981,422	-82%	19,461,595	(6,480,173)	-50%
	MH Residential Services	17,480,605	-	17,480,605	10%	15,262,311	2,218,294	13%
	MH Rehabilitative Services	125,236,943	-	125,236,943	-77%	96,670,741	28,566,203	23%
	Early Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	-65%	24,122,065	6,255,091	21%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	613,721,852	828,968,887	57%
	Nursing Facility	162,699,297	-	162,699,297	-60%	72,334,768	90,364,530	56%
	Private ICF/MRs	117,292,021	-	117,292,021	2%	52,981,339	64,310,682	55%
	PACE	62,545,942	-	62,545,942	-6%	23,042,539	39,503,403	63%
	HCBC Waivers: Personal Support	176,630,259	-	176,630,259	-60%	82,103,172	94,527,087	54%
	HCBC Waivers: Habilitation	819,698,876	-	819,698,876	10%	341,279,737	478,419,140	58%
	HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimer	66,529,607	-	66,529,607	39%	15,532,081	50,997,526	77%
	HCBC Waivers: Case Management & Support	37,294,735	-	37,294,735	-43%	26,448,216	10,846,519	29%
	Hospital Payments	657,789,477	-	657,789,477	3%	359,049,194	298,740,283	45%
	Disallowance	57,972,976	-	57,972,976	-	-	57,972,976	100%
	Supplemental Rate Assessment Payments	376,883,647	-	376,883,647	-	-	376,883,647	100%
	Total Forecasted BASE Medicaid Expenditures	10,604,061,892	-	10,604,061,892	10%	4,260,926,078	6,343,135,815	60%
	Federal Funds	5,210,816,570	-	5,210,816,570	2%	2,094,139,636	3,116,676,935	60%
	Rate Assessment	188,441,824	-	188,441,824	-	-	188,441,824	100%
	State Funds	5,204,803,498	-	5,204,803,498	15%	2,166,786,443	3,038,017,056	58%
	Mental Health Services CSA	71,713,945	-	71,713,945	-3%	26,943,177	44,770,768	62%
	Federal Funds	-	43,187,748	43,187,748	17%	13,471,589	29,716,160	69%
	State Funds	-	28,526,197	28,526,197	-23%	13,471,589	15,054,609	53%
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	43,300,497	80,371,265	65%
	Federal Funds	61,835,881	-	61,835,881	-13%	21,650,249	40,185,632	65%
	State Funds	61,835,881	-	61,835,881	-13%	21,650,248	40,185,633	65%
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	4,331,169,752	6,468,277,848	60%
Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,129,261,473	3,186,578,726	60%	
Rate Assessment	188,441,824	-	188,441,824	-	-	188,441,824	100%	
State Funds	5,266,639,379	28,526,197	5,295,165,576	14%	2,201,908,279	3,093,257,297	58%	
Medicaid Expansion	General Medical Care: MCOs	901,253,203	-	901,253,203	-	-	901,253,203	100%
	Capitation Payments: Low-Income Adults & Children	656,374,135	-	656,374,135	-	-	656,374,135	100%
	Capitation Payments: CCC+ Program	244,879,068	-	244,879,068	-	-	244,879,068	100%
	General Medical Care: Fee-For-Service	94,595,365	-	94,595,365	-	-	94,595,365	100%
	Inpatient Hospital	66,411,184	-	66,411,184	-	-	66,411,184	100%
	Outpatient Hospital	6,478,183	-	6,478,183	-	-	6,478,183	100%
	Physician/Practitioner Services	11,369,914	-	11,369,914	-	-	11,369,914	100%
	Clinic Services	724,194	-	724,194	-	-	724,194	100%
	Pharmacy	2,661,334	-	2,661,334	-	-	2,661,334	100%
	Dental	6,084,530	-	6,084,530	-	-	6,084,530	100%
	Transportation	430,112	-	430,112	-	-	430,112	100%
	All Other	435,914	-	435,914	-	-	435,914	100%
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471	-	-	2,109,471	100%
	MH Case Management	114,927	-	114,927	-	-	114,927	100%
	MH Rehabilitative Services	1,994,544	-	1,994,544	-	-	1,994,544	100%
	Long-Term Care Services	1,619,423	-	1,619,423	-	-	1,619,423	100%
	HCBC Waivers: Personal Support	1,391,975	-	1,391,975	-	-	1,391,975	100%
	HCBC Waivers: Case Management & Support	227,448	-	227,448	-	-	227,448	100%
	Hospital Payments	7,659,970	-	7,659,970	-	-	7,659,970	100%
	Supplemental Rate Assessment Payments	86,590,915	-	86,590,915	-	-	86,590,915	100%
Total Medicaid EXPANSION Expenditures	1,093,828,347	-	1,093,828,347	-	-	1,093,828,347	100%	
Federal Funds	1,017,299,763	-	1,017,299,763	-	-	1,017,299,763	100%	
Rate Assessment	6,061,364	-	6,061,364	-	-	6,061,364	100%	
Coverage Assessment	70,467,221	-	70,467,221	-	-	70,467,221	100%	
State Funds	-	-	-	-	-	-	-	
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	4,331,169,752	7,562,106,195	64%
	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,129,261,473	4,203,878,489	66%
	Rate Assessment	194,503,188	-	194,503,188	-	-	194,503,188	100%
	Coverage Assessment	70,467,221	-	70,467,221	-	-	70,467,221	100%
	State Funds	5,266,639,379	28,526,197	5,295,165,576	14%	2,201,908,279	3,093,257,297	58%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	84,967,090	128,785,441	60%
	Federal Funds	188,474,155	-	188,474,155	8%	74,818,717	113,655,438	60%
	Special Funds	14,065,627	-	14,065,627	0%	8,000,000	6,065,627	43%
	State Funds	11,212,749	-	11,212,749	23%	2,148,373	9,064,376	81%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	76,607,042	111,081,132	59%
Federal Funds	165,885,593	-	165,885,593	13%	67,453,995	98,431,598	59%	
State Funds	21,802,581	-	21,802,581	17%	9,153,047	12,649,534	58%	