



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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February 4, 2019

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 December Medicaid Expenditures due January 20, 2019

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.

- 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 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 Appropriations 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 Appropriations 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 adjustments of expenditures from Mental Health Residential Services to Children’s Services Act were not available for November and December and will be included in the January report.
- The balance remaining in Behavioral Health & Rehabilitative Services for the Base Medicaid population is only 8%. 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 -- December FY2019

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through December FY2019	Balance Remaining Amount	%
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	2,947,765,920	3,504,314,545	54%
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	756,628,440	673,940,021	47%
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	170,486,083	15,590,044	8%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	724,396,182	718,294,557	50%
	Hospital Payments	657,789,477	-	657,789,477	3%	485,425,683	172,363,794	26%
	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%	51,044,086	72,627,676	59%
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	5,162,689,571	5,636,758,028	52%
Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,536,567,885	2,779,272,314	52%	
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%	2,626,121,685	2,669,043,891	50%	
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%	5,162,689,571	6,730,586,375	57%
	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,536,567,885	3,796,572,077	60%
	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%	2,626,121,685	2,669,043,891	50%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	100,489,926	113,262,605	53%
	Federal Funds	188,474,155	-	188,474,155	8%	88,494,398	99,979,757	53%
	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%	3,995,528	7,217,221	64%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	92,659,910	95,028,264	51%
	Federal Funds	165,885,593	-	165,885,593	13%	81,595,577	84,290,016	51%
State Funds	21,802,581	-	21,802,581	17%	11,064,333	10,738,248	49%	

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

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through December FY2019	Balance Remaining Amount %		
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	2,947,765,920	3,504,314,545	54%	
	Capitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	21%	1,006,784,700	1,240,294,155	55%	
	Capitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	-91%	34,143,636	44,020,978	56%	
	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%	2,071,239,374	2,266,286,143	52%	
	MCO Pharmacy Rebates	(215,179,532)	-	(215,179,532)	-28%	(168,892,801)	(46,286,731)	22%	
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	756,628,440	673,940,021	47%	
	Inpatient Hospital	298,635,198	-	298,635,198	-15%	166,415,263	132,219,936	44%	
	Outpatient Hospital	83,653,363	-	83,653,363	-16%	44,459,988	39,193,375	47%	
	Physician/Practitioner Services	94,131,719	-	94,131,719	-24%	48,849,303	45,282,416	48%	
	Clinic Services	95,540,514	-	95,540,514	-25%	43,077,561	52,462,953	55%	
	Pharmacy	53,884,192	-	53,884,192	-35%	37,763,849	16,120,343	30%	
	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%	161,893,365	164,673,664	50%	
	Medicare Premiums Part D	257,991,210	-	257,991,210	2%	128,564,860	129,426,351	50%	
	Dental	153,213,615	-	153,213,615	0%	79,208,454	74,005,161	48%	
	Transportation	51,713,777	-	51,713,777	-23%	23,962,498	27,751,279	54%	
	All Other	37,294,265	-	37,294,265	-56%	22,433,299	14,860,966	40%	
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	170,486,083	15,590,044	8%	
	MH Case Management	12,981,422	-	12,981,422	-82%	22,278,313	(9,296,890)	-72%	
	MH Residential Services	17,480,605	-	17,480,605	10%	19,357,703	(1,877,098)	-11%	
	MH Rehabilitative Services	125,236,943	-	125,236,943	-77%	102,544,291	22,692,652	18%	
	Early Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	-65%	26,305,775	4,071,380	13%	
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	724,396,182	718,294,557	50%	
	Nursing Facility	162,699,297	-	162,699,297	-60%	85,014,268	77,685,029	48%	
	Private ICF/MRs	117,292,021	-	117,292,021	2%	61,933,274	55,358,748	47%	
	PACE	62,545,942	-	62,545,942	-6%	25,971,183	36,574,759	58%	
	HCBC Waivers: Personal Support	176,630,259	-	176,630,259	-60%	96,145,740	80,484,519	46%	
	HCBC Waivers: Habilitation	819,698,876	-	819,698,876	10%	405,403,591	414,295,286	51%	
	HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	66,529,607	-	66,529,607	39%	18,332,626	48,196,982	72%	
	HCBC Waivers: Case Management & Support	37,294,735	-	37,294,735	-43%	31,595,500	5,699,235	15%	
	Hospital Payments	657,789,477	-	657,789,477	3%	485,425,683	172,363,794	26%	
	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%	5,084,702,308	5,519,359,584	52%	
	Federal Funds	5,210,816,570	-	5,210,816,570	2%	2,497,574,253	2,713,242,318	52%	
	Rate Assessment	188,441,824	-	188,441,824	-	-	188,441,824	100%	
	State Funds	5,204,803,498	-	5,204,803,498	15%	2,587,128,055	2,617,675,444	50%	
	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%	51,044,086	72,627,676	59%	
	Federal Funds	61,835,881	-	61,835,881	-13%	25,522,044	36,313,837	59%	
	State Funds	61,835,881	-	61,835,881	-13%	25,522,042	36,313,839	59%	
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	5,162,689,571	5,636,758,028	52%	
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,536,567,885	2,779,272,314	52%	
	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%	2,626,121,685	2,669,043,891	50%	
	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%	5,162,689,571	6,730,586,375	57%	
	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,536,567,885	3,796,572,077	60%	
	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%	2,626,121,685	2,669,043,891	50%	
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	100,489,926	113,262,605	53%	
	Federal Funds	188,474,155	-	188,474,155	8%	88,494,398	99,979,757	53%	
	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%	3,995,528	7,217,221	64%	
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	92,659,910	95,028,264	51%	
	Federal Funds	165,885,593	-	165,885,593	13%	81,595,577	84,290,016	51%	
State Funds	21,802,581	-	21,802,581	17%	11,064,333	10,738,248	49%		