



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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February 27, 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 January Medicaid Expenditures due February 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 "November 2018 Official Forecast" column represents the most recent forecast that was submitted to the General Assembly November 1, 2018. 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.
- "Funding Adjustments" represent budget execution adjustments.

Key Takeaways:

- Funds for “Healthcare Coverage for Low-Income Uninsured Adults” (Medicaid Expansion) were provided in Chapter 2 of the 2018 Appropriations Act. Coverage began January 1st, therefore only one month’s expenditures are included. The non-federal share of Expansion is funded by an assessment on private hospitals.
- “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 began 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.
- The monthly adjustments of expenditures from Mental Health Residential Services to Children’s Services Act were not available for January and will be included in the February report. This will reduce the MH Residential line item and increase expenditures in Mental Health Services CSA.
- The balance remaining in Behavioral Health & Rehabilitative Services for the Base Medicaid population is only 9%. The majority of these services moved 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.
- DMAS expects that the forecast will be sufficient to cover projected expenditures for fiscal year 2019.

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 -- January FY2019

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through January FY2019	Balance Remaining Amount %		
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	3,431,839,941	3,020,240,524	47%	
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	860,116,298	570,452,163	40%	
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	169,898,742	16,177,384	9%	
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	833,062,211	609,628,528	42%	
	Hospital Payments	657,789,477	-	657,789,477	3%	488,468,572	169,320,905	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%	37,540,770	34,173,175	48%	
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	56,013,353	67,658,409	55%	
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	5,876,939,887	4,922,507,712	46%	
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,879,844,294	2,435,995,905	46%	
	Rate Assessment	188,441,824	-	188,441,824		-	188,441,824	100%	
	Virginia Health Care Fund	410,279,068	-	410,279,068		200,000,000	210,279,068	51%	
	State Funds	4,856,360,311	28,526,197	4,884,886,508	6%	2,797,095,593	2,087,790,915	43%	
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		1,572,816	93,022,549	98%	
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471		3,869	2,105,602	100%	
	Long-Term Care Services	1,619,423	-	1,619,423		12,162	1,607,261	99%	
	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		1,588,847	1,092,239,500	100%	
		Federal Funds	1,017,299,763	-	1,017,299,763		1,477,696	1,015,822,067	100%
	Rate Assessment	6,061,364	-	6,061,364		-	6,061,364	100%	
	Coverage Assessment	70,467,221	-	70,467,221		111,150	70,356,071	100%	
	State Funds	-	-	-		-	-		
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	5,878,528,734	6,014,747,212	51%	
		Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,881,321,990	3,451,817,972	55%
		Rate Assessment	194,503,188	-	194,503,188		-	194,503,188	100%
		Coverage Assessment	70,467,221	-	70,467,221		111,150	258,797,895	100%
		Virginia Health Care Fund	410,279,068	-	410,279,068		200,000,000	210,279,068	51%
		State Funds	4,856,360,311	28,526,197	4,884,886,508	6%	2,797,095,593	2,087,790,915	43%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	115,403,534	98,348,997	46%	
		Federal Funds	188,474,155	-	188,474,155	8%	101,627,238	86,846,917	46%
		Special Funds	14,065,627	-	14,065,627	0%	12,000,000	2,065,627	15%
		State Funds	11,212,749	-	11,212,749	23%	1,776,296	9,436,453	84%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	108,916,008	78,772,166	42%	
		Federal Funds	165,885,593	-	165,885,593	13%	95,911,958	69,973,635	42%
	State Funds	21,802,581	-	21,802,581	17%	13,004,050	8,798,531	40%	

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

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through January FY2019	Balance Remaining Amount	%
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	3,431,839,941	3,020,240,524	47%
	Capitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	21%	1,194,855,507	1,052,223,348	47%
	Capitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	-91%	42,194,635	35,969,979	46%
	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%	2,417,795,764	1,919,729,753	44%
	MCO Pharmacy Rebates	(215,179,532)	-	(215,179,532)	-28%	(227,496,976)	12,317,444	-6%
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	860,116,298	570,452,163	40%
	Inpatient Hospital	298,635,198	-	298,635,198	-15%	186,084,369	112,550,829	38%
	Outpatient Hospital	83,653,363	-	83,653,363	-16%	48,977,002	34,676,360	41%
	Physician/Practitioner Services	94,131,719	-	94,131,719	-24%	53,783,491	40,348,228	43%
	Clinic Services	95,540,514	-	95,540,514	-25%	50,192,396	45,348,118	47%
	Pharmacy	53,884,192	-	53,884,192	-35%	39,914,901	13,969,291	26%
	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%	189,069,972	137,497,057	42%
	Medicare Premiums Part D	257,991,210	-	257,991,210	2%	149,906,126	108,085,084	42%
	Dental	153,213,615	-	153,213,615	0%	88,053,953	65,159,662	43%
	Transportation	51,713,777	-	51,713,777	-23%	28,640,747	23,073,030	45%
	All Other	37,294,265	-	37,294,265	-56%	25,493,341	11,800,924	32%
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	169,898,742	16,177,384	9%
	MH Case Management	12,981,422	-	12,981,422	-82%	15,277,808	(2,296,386)	-18%
	MH Residential Services	17,480,605	-	17,480,605	10%	14,774,356	2,706,249	15%
	MH Rehabilitative Services	125,236,943	-	125,236,943	-77%	112,712,451	12,524,493	10%
	Early Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	-65%	27,134,128	3,243,028	11%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	833,062,211	609,628,528	42%
	Nursing Facility	162,699,297	-	162,699,297	-60%	96,610,341	66,088,956	41%
	Private ICF/MRs	117,292,021	-	117,292,021	2%	70,335,595	46,956,426	40%
	PACE	62,545,942	-	62,545,942	-6%	28,368,602	34,177,341	55%
	HCBC Waivers: Personal Support	176,630,259	-	176,630,259	-60%	114,704,731	61,925,528	35%
	HCBC Waivers: Habilitation	819,698,876	-	819,698,876	10%	466,023,320	353,675,557	43%
	HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	66,529,607	-	66,529,607	39%	21,068,698	45,460,910	68%
	HCBC Waivers: Case Management & Support	37,294,735	-	37,294,735	-43%	35,950,924	1,343,811	4%
	Hospital Payments	657,789,477	-	657,789,477	3%	488,468,572	169,320,905	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%	5,783,385,764	4,820,676,128	45%
	Federal Funds	5,210,816,570	-	5,210,816,570	2%	2,833,067,232	2,377,749,338	46%
	Rate Assessment	188,441,824	-	188,441,824	-	-	188,441,824	100%
	Virginia Health Care Fund	410,279,068	-	410,279,068	-	200,000,000	210,279,068	51%
	State Funds	4,794,524,430	-	4,794,524,430	6%	2,750,318,532	2,044,205,898	43%
	Mental Health Services CSA		71,713,945	71,713,945	-3%	37,540,770	34,173,175	48%
	Federal Funds	-	43,187,748	43,187,748	17%	18,770,385	24,417,363	57%
	State Funds	-	28,526,197	28,526,197	-23%	18,770,385	9,755,812	34%
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	56,013,353	67,658,409	55%
	Federal Funds	61,835,881	-	61,835,881	-13%	28,006,677	33,829,204	55%
	State Funds	61,835,881	-	61,835,881	-13%	28,006,676	33,829,205	55%
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	5,876,939,887	4,922,507,712	46%
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	2,879,844,294	2,435,995,905	46%
	Rate Assessment	188,441,824	-	188,441,824	-	-	188,441,824	100%
Virginia Health Care Fund	410,279,068	-	410,279,068	-	200,000,000	210,279,068	51%	
State Funds	4,856,360,311	28,526,197	4,884,886,508	6%	2,797,095,593	2,087,790,915	43%	
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	-	1,572,816	93,022,549	98%
	Inpatient Hospital	66,411,184	-	66,411,184	-	242,309	66,168,875	100%
	Outpatient Hospital	6,478,183	-	6,478,183	-	311,668	6,166,515	95%
	Physician/Practitioner Services	11,369,914	-	11,369,914	-	244,897	11,125,017	98%
	Clinic Services	724,194	-	724,194	-	24,588	699,606	97%
	Pharmacy	2,661,334	-	2,661,334	-	644,349	2,016,985	76%
	Dental	6,084,530	-	6,084,530	-	91,685	5,992,845	98%
	Transportation	430,112	-	430,112	-	8,539	421,573	98%
	All Other	435,914	-	435,914	-	4,781	431,133	99%
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471	-	3,869	2,105,602	100%
	MH Case Management	114,927	-	114,927	-	327	114,600	100%
	MH Rehabilitative Services	1,994,544	-	1,994,544	-	3,542	1,991,002	100%
	Long-Term Care Services	1,619,423	-	1,619,423	-	12,162	1,607,261	99%
	HCBC Waivers: Personal Support	1,391,975	-	1,391,975	-	12,162	1,379,813	99%
	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	-	1,588,847	1,092,239,500	100%
	Federal Funds	1,017,299,763	-	1,017,299,763	-	1,477,696	1,015,822,067	100%
	Rate Assessment	6,061,364	-	6,061,364	-	-	6,061,364	100%
Coverage Assessment	70,467,221	-	70,467,221	-	111,150	70,356,071	100%	
State Funds	-	-	-	-	-	-	-	
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	5,878,528,734	6,014,747,212	51%
	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	2,881,321,990	3,451,817,972	55%
	Rate Assessment	194,503,188	-	194,503,188	-	-	194,503,188	100%
	Coverage Assessment	70,467,221	-	70,467,221	-	111,150	70,356,071	100%
	Virginia Health Care Fund	410,279,068	-	410,279,068	-	200,000,000	210,279,068	51%
State Funds	4,856,360,311	28,526,197	4,884,886,508	6%	2,797,095,593	2,087,790,915	43%	
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	115,403,534	98,348,997	46%
	Federal Funds	188,474,155	-	188,474,155	8%	101,627,238	86,846,917	46%
	Special Funds	14,065,627	-	14,065,627	0%	12,000,000	2,065,627	15%
	State Funds	11,212,749	-	11,212,749	23%	1,776,296	9,436,453	84%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	108,916,008	78,772,166	42%
Federal Funds	165,885,593	-	165,885,593	13%	95,911,958	69,973,635	42%	
State Funds	21,802,581	-	21,802,581	17%	13,004,050	8,798,531	40%	