

COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

JENNIFER S. LEE, M.D. DIRECTOR

March 21, 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. **45** Director, Virginia Department of Medical Assistance Services
- SUBJECT: Monthly Report on February Medicaid Expenditures due March 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. Any additional adjustment for legislation approved by the 2019 General Assembly has not yet been included in this column.

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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 two months' expenditures are included. The non-federal share of Expansion is funded by an assessment on private hospitals, identified in this report as "Coverage Assessment."
- "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 balance remaining in Behavioral Health & Rehabilitative Services for the Base Medicaid population is only 8%. 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 -- February FY2019

		November 2010	Eurodia e	Franciscal	Year over	Expenditures through February	Balance Remaining	
		November 2018 Official Forecast	Funding	Expected Appropriation	Year Growth	FY2019	Amount	ning %
	General Medical Care: MCOs	6,452,080,465	Adjustments	6,452,080,465	35%	4,095,432,188	2,356,648,277	% 37%
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	924,294,249	506,274,213	35%
7	Behavioral Health & Rehabilitative Services		-	186,076,127	-12%	, ,		35%
		186,076,127	-	, ,		170,541,090	15,535,036	8% 34%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	945,120,541	497,570,198	
	Hospital Payments	657,789,477	-	657,789,477	3%	534,036,886	123,752,591	19%
aic	Disallowance	57,972,976	-	57,972,976		-	57,972,976	100%
Medicaid	Supplemental Rate Assessment Payments	376,883,647	-	376,883,647		169,251,959	207,631,688	55%
	Mental Health Services CSA	-	71,713,945	71,713,945	-3%	48,985,182	22,728,763	32%
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	62,025,237	61,646,525	50%
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	6,949,687,332	3,849,760,268	36%
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	3,405,023,449	1,910,816,750	36%
	Rate Assessment	188,441,824	-	188,441,824		84,625,979	103,815,845	55%
	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%	3,260,037,904	1,624,848,604	33%
Expansion	General Medical Care: MCOs	901,253,203	-	901,253,203		120,348,494	780,904,709	87%
	General Medical Care: Fee-For-Service	94,595,365	-	94,595,365		11,437,481	83,157,884	88%
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471		163,806	1,945,665	92%
	Long-Term Care Services	1,619,423	-	1,619,423		143,511	1,475,912	91%
	Hospital Payments	7,659,970	-	7,659,970		-	7,659,970	100%
0	Supplemental Rate Assessment Payments	86,590,915	-	86,590,915		-	86,590,915	100%
Medicaid	Total Medicaid EXPANSION Expenditures	1,093,828,347	-	1,093,828,347		132,093,292	961,735,055	88%
ŝdi	Federal Funds	1,017,299,763	-	1,017,299,763		122,847,885	894,451,878	88%
ž	Rate Assessment	6,061,364	-	6,061,364		-	6,061,364	100%
	Coverage Assessment	70,467,221	-	70,467,221		9,245,408	61,221,813	87%
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aic	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	7,081,780,624	4,811,495,322	40%
Total Medicaid	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	3,527,871,334	2,805,268,628	44%
	Rate Assessment	194,503,188	-	194,503,188		84,625,979	109,877,209	56%
	Coverage Assessment	70,467,221	-	70,467,221		9,245,408	165,037,658	87%
	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%	3,260,037,904	1,624,848,604	33%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	131,092,685	82,659,846	39%
	Federal Funds	188,474,155	-	188,474,155	8%	115,446,449	73,027,706	39%
	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%	3,646,236	7,566,513	67%
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	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	125,724,346	61,963,828	33%
	Federal Funds	165,885,593	-	165,885,593	13%	110,714,903	55,170,690	33%
	State Funds	21,802,581	-	21,802,581	17%	15,009,443	6,793,138	31%
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		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	xpenditures through February FY2019	Balance Remai Amount	ning %
	eral Medical Care: MCOs	6,452,080,465	•	6,452,080,465	35%	4,095,432,188	2,356,648,277	37%
	apitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	21%	1,378,530,832	868,548,024	39%
	apitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	-91%	50,153,489	28,011,125	36%
	apitation Payments: Duals/CCC Program	4,491,011	-	4,491,011	-97%	4,491,011	-	0% 36%
	apitation Payments: CCC+ Program CO Pharmacy Rebates	4,337,525,517 (215,179,532)		4,337,525,517 (215,179,532)	100% -28%	2,785,043,844 (122,786,988)	1,552,481,673 (92,392,544)	43%
	eral Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-20%	924,294,249	506,274,213	43% 35%
	patient Hospital	298,635,198	-	298,635,198	-15%	173,973,624	124,661,574	42%
	utpatient Hospital	83,653,363	-	83.653.363	-16%	53,521,972	30.131.391	36%
	hysician/Practitioner Services	94,131,719	-	94,131,719	-24%	60,220,681	33,911,038	36%
	linic Services	95,540,514	-	95,540,514	-25%	56,318,376	39,222,139	419
_	harmacy	53,884,192	-	53,884,192	-35%	41,296,875	12,587,317	239
	FS Pharmacy Rebates	(22,056,422)	-	(22,056,422)	-51%	(10,183,787)	(11,872,635)	54%
	edicare Premiums Part A & B	326,567,029	-	326,567,029	1%	216,147,044	110,419,985	34%
	edicare Premiums Part D	257,991,210	-	257,991,210	2%	171,784,949	86,206,261	33%
D	ental	153,213,615	-	153,213,615	0%	100,285,484	52,928,131	35%
Т	ransportation	51,713,777	-	51,713,777	-23%	33,263,303	18,450,474	369
A	II Other	37,294,265	-	37,294,265	-56%	27,665,726	9,628,539	26%
Beha	avioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	170,541,090	15,535,036	89
M	H Case Management	12,981,422	-	12,981,422	-82%	15,466,852	(2,485,429)	-199
M	H Residential Services	17,480,605	-	17,480,605	10%	11,795,849	5,684,756	339
M	H Rehabilitative Services	125,236,943	-	125,236,943	-77%	114,612,471	10,624,473	89
E	arly Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	-65%	28,665,918	1,711,237	69
<u>Long</u>	g-Term Care Services	1,442,690,739	<u> </u>	1,442,690,739	-24%	945,120,541	497,570,198	349
<u>N</u>	ursing Facility	162,699,297	-	162,699,297	-60%	112,306,140	50,393,158	319
	rivate ICF/MRs	117,292,021	-	117,292,021	2%	79,256,102	38,035,919	329
<u>P</u>	ACE	62,545,942	-	62,545,942	-6%	31,788,226	30,757,717	499
	CBC Waivers: Personal Support	176,630,259	-	176,630,259	-60%	126,445,310	50,184,949	289
_	CBC Waivers: Habilitation	819,698,876	-	819,698,876	10%	530,093,479	289,605,397	359
	CBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	66,529,607	-	66,529,607	39%	23,813,854	42,715,753	649
	CBC Waivers: Case Management & Support	37,294,735	-	37,294,735	-43%	41,417,430	(4,122,695)	-119
	pital Payments	657,789,477	-	657,789,477	3%	534,036,886	123,752,591	199
	llowance	57,972,976	-	57,972,976		-	57,972,976	1009
	plemental Rate Assessment Payments	376,883,647	-	376,883,647		169,251,959	207,631,688	55%
	otal Forecasted BASE Medicaid Expenditures	10,604,061,892	-	10,604,061,892	10%	6,838,676,913	3,765,384,980	36%
	ederal Funds	5,210,816,570	-	5,210,816,570	2%	3,349,518,239	1,861,298,331	36%
	Rate Assessment	188,441,824	-	188,441,824		84,625,979	103,815,845	55%
	/irginia Health Care Fund	410,279,068	-	410,279,068		200,000,000	210,279,068	519
	State Funds	4,794,524,430	-	4,794,524,430	6%	3,204,532,695	1,589,991,735	33%
	tal Health Services CSA		71,713,945	71,713,945	-3%	48,985,182	22,728,763	32%
	ederal Funds	-	43,187,748	43,187,748	17%	24,492,591	18,695,157	43%
	tate Funds	-	28,526,197	28,526,197	-23%	24,492,591	4,033,606	14%
	IR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	62,025,237	61,646,525	50%
	ederal Funds	61,835,881	-	61,835,881	-13%	31,012,619	30,823,262	50%
	tate Funds	61,835,881		61,835,881	-13%	31,012,618	30,823,263	50%
	otal BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	6,949,687,332	3,849,760,268	36% 36%
	Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	3,405,023,449	1,910,816,750	
	Rate Assessment /irginia Health Care Fund	188,441,824	-	188,441,824		84,625,979	103,815,845	55%
	State Funds	410,279,068 4,856,360,311	- 28,526,197	410,279,068 4,884,886,508	6%	200,000,000 3,260,037,904	210,279,068 1,624,848,604	51% 33%
		4,000,000,011	20,020,101	4,004,000,000	0,0	0,200,007,004	1,024,040,004	007
Gen	eral Medical Care: MCOs	901,253,203	-	901,253,203		120,348,494	780,904,709	87%
	apitation Payments: Low-Income Adults & Children	656,374,135	-	656,374,135		85,299,473	571,074,662	87%
	apitation Payments: CCC+ Program	244,879,068	-	244,879,068		35,049,021	209,830,047	86%
	eral Medical Care: Fee-For-Service	94,595,365	-	94,595,365		11,437,481	83,157,884	88%
In	patient Hospital	66,411,184	-	66,411,184		4,089,430	62,321,754	94%
0	utpatient Hospital	6,478,183	-	6,478,183		2,674,147	3,804,036	59%
P	hysician/Practitioner Services	11,369,914	-	11,369,914		1,879,393	9,490,521	83%
С	linic Services	724,194	-	724,194		190,751	533,443	749
P	harmacy	2,661,334	-	2,661,334		1,630,291	1,031,043	399
D	ental	6,084,530	-	6,084,530		841,783	5,242,747	869
5 Tr	ransportation	430,112	-	430,112		74,029	356,083	839
	ll Other	435,914	-	435,914		57,658	378,256	879
Beha	avioral Health & Rehabilitative Services	2,109,471	-	2,109,471		163,806	1,945,665	92%
<u> </u>	H Case Management	114,927	-	114,927		15,019	99,908	87%
M g	H Residential Services		-	-		6,980	(6,980)	
M led	H Rehabilitative Services	1,994,544	-	1,994,544		141,807	1,852,737	93%
LOIN	g-Term Care Services	1,619,423		1,619,423		143,511	1,475,912	91%
	ursing Facility		-	-		57,132		
	CBC Waivers: Personal Support	1,391,975	-	1,391,975		11,961	1,380,014	99%
	CBC Waivers: Habilitation		-	-		65,571	(65,571)	
	CBC Waivers: Case Management & Support	227,448	-	227,448		8,847	218,601	96%
	pital Payments	7,659,970	-	7,659,970		-	7,659,970	100%
	plemental Rate Assessment Payments	86,590,915	-	86,590,915		-	86,590,915	100%
	otal Medicaid EXPANSION Expenditures	1,093,828,347	-	1,093,828,347		132,093,292	961,735,055	889
	Federal Funds	1,017,299,763	-	1,017,299,763		122,847,885	894,451,878	889
	Rate Assessment	6,061,364 70,467,221	-	6,061,364 70,467,221		9,245,408	6,061,364 61,221,813	100%
	Coverage Assessment	10,401,221	-	10,401,221		9,240,408	01,221,013	87%
Т	otal Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	7,081,780,624	4,811,495,322	40%
	ederal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	3,527,871,334	2,805,268,628	449
	Rate Assessment	194,503,188	-	194,503,188		84,625,979	109,877,209	569
Ċ	Coverage Assessment	70,467,221	-	70,467,221		9,245,408	61,221,813	879
10 III	/irginia Health Care Fund	410,279,068	-	410,279,068		200,000,000	210,279,068	519
	State Funds	4,856,360,311	28,526,197	4,884,886,508		3,260,037,904	1,624,848,604	339
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FAM	IIS Expenditures (446)	213,752,531	-	213,752,531	8%	131,092,685	82,659,846	39
	ederal Funds	188,474,155	-	188,474,155	8%	115,446,449	73,027,706	39
	pecial Funds	14,065,627		14,065,627	0%	12,000,000	2,065,627	159
U	tate Funds	11,212,749	-	11,212,749	23%	3,646,236	7,566,513	679
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5	HIP Expenditures (466)	187,688,174	-	187,688,174	13%	125,724,346	61,963,828	339
M-C	HIP Expenditures (466) ederal Funds	187,688,174 165,885,593	-	187,688,174 165,885,593	13% 13%	125,724,346 110,714,903	61,963,828 55,170,690	33 9

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