



COMMONWEALTH of VIRGINIA  
*Department of Medical Assistance Services*

JENNIFER S. LEE, M.D.  
DIRECTOR

SUITE 1300  
600 EAST BROAD STREET  
RICHMOND, VA 23219  
804/786-7933  
800/343-0634 (TDD)  
[www.dmas.virginia.gov](http://www.dmas.virginia.gov)

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.   
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.

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 1<sup>st</sup>, 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 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through February FY2019	Balance Remaining Amount %	
<b>Medicaid</b>	General Medical Care: MCOs	6,452,080,465	-	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%
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	170,541,090	15,535,036	8%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	945,120,541	497,570,198	34%
	Hospital Payments	657,789,477	-	657,789,477	3%	534,036,886	123,752,591	19%
	Disallowance	57,972,976	-	57,972,976		-	57,972,976	100%
	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%
	<b>Total BASE Medicaid Program (456) by Fund</b>	<b>10,727,733,654</b>	<b>71,713,945</b>	<b>10,799,447,599</b>	<b>10%</b>	<b>6,949,687,332</b>	<b>3,849,760,268</b>	<b>36%</b>
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%	
<b>Medicaid Expansion</b>	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%
	Supplemental Rate Assessment Payments	86,590,915	-	86,590,915		-	86,590,915	100%
	<b>Total Medicaid EXPANSION Expenditures</b>	<b>1,093,828,347</b>	<b>-</b>	<b>1,093,828,347</b>		<b>132,093,292</b>	<b>961,735,055</b>	<b>88%</b>
	Federal Funds	1,017,299,763	-	1,017,299,763		122,847,885	894,451,878	88%
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%	
<b>Total Medicaid</b>	<b>Total Medicaid Expenditures (Base + Expansion)</b>	<b>11,821,562,001</b>	<b>71,713,945</b>	<b>11,893,275,946</b>	<b>21%</b>	<b>7,081,780,624</b>	<b>4,811,495,322</b>	<b>40%</b>
	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%
<b>CHIP</b>	<b>FAMIS Expenditures (446)</b>	<b>213,752,531</b>	<b>-</b>	<b>213,752,531</b>	<b>8%</b>	<b>131,092,685</b>	<b>82,659,846</b>	<b>39%</b>
	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%
	<b>M-CHIP Expenditures (466)</b>	<b>187,688,174</b>	<b>-</b>	<b>187,688,174</b>	<b>13%</b>	<b>125,724,346</b>	<b>61,963,828</b>	<b>33%</b>
	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%	

