



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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April 20, 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 March Medicaid Expenditures due April 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 1st, therefore only three 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.
- Balance remaining in General Medical Care: MCOs is more than 25% of the expected appropriation. However, the CCC+ program had rate changes in January and so expected expenditures are anticipated to accelerate through the end of the year. Capitation Payment for Low Income Adults and children are running lower than expected as the population of base Medicaid Adults has dropped.
- The balance remaining in Behavioral Health & Rehabilitative Services for the Base Medicaid population is only 4%. 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.
- A Budget Execution Adjustment was approved in April to transfer \$8,500,000 General Fund from Children’s Services Act (CSA) to DMAS to cover projected expenditures for the remainder of the fiscal year. These annual adjustments are made to move funds appropriated to CSA and spent by DMAS.
- Mental Health Facility Reimbursements (Program 45607) includes an amount of \$19,159,700 in expenditures which will be reversed April. Without this amount, the program would have a 25% balance remaining.
- 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 -- March FY2019

		November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through March FY2019	Balance Remaining Amount %	
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	4,598,089,653	1,853,990,812	29%
	General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	1,044,419,224	386,149,237	27%
	Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	177,841,654	8,234,472	4%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	1,067,420,619	375,270,120	26%
	Hospital Payments	657,789,477	-	657,789,477	3%	638,127,218	19,662,259	3%
	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%	55,791,351	15,922,594	22%
	MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	110,110,468	13,561,294	11%
	Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	7,861,052,146	2,938,395,453	27%
Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	3,853,755,351	1,462,084,848	28%	
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%	3,722,670,816	1,162,215,692	24%	
Medicaid Expansion	General Medical Care: MCOs	901,253,203	-	901,253,203		262,367,516	638,885,687	71%
	General Medical Care: Fee-For-Service	94,595,365	-	94,595,365		32,257,214	62,338,151	66%
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471		704,519	1,404,952	67%
	Long-Term Care Services	1,619,423	-	1,619,423		404,553	1,214,870	75%
	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		295,733,801	798,094,546	73%
	Federal Funds	1,017,299,763	-	1,017,299,763		275,034,881	742,264,882	73%
Rate Assessment	6,061,364	-	6,061,364		-	6,061,364	100%	
Coverage Assessment	70,467,221	-	70,467,221		20,698,922	49,768,299	71%	
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)	11,821,562,001	71,713,945	11,893,275,946	21%	8,156,785,948	3,736,489,998	31%
	Federal Funds	6,289,952,214	43,187,748	6,333,139,962	21%	4,128,790,232	2,204,349,730	35%
	Rate Assessment	194,503,188	-	194,503,188		84,625,979	109,877,209	56%
	Coverage Assessment	70,467,221	-	70,467,221		20,698,922	153,584,144	71%
	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%	3,722,670,816	1,162,215,692	24%
CHIP	FAMIS Expenditures (446)	213,752,531	-	213,752,531	8%	148,097,448	65,655,083	31%
	Federal Funds	188,474,155	-	188,474,155	8%	130,427,131	58,047,024	31%
	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%	5,670,317	5,542,432	49%
	M-CHIP Expenditures (466)	187,688,174	-	187,688,174	13%	143,276,558	44,411,616	24%
	Federal Funds	165,885,593	-	165,885,593	13%	126,177,260	39,708,333	24%
State Funds	21,802,581	-	21,802,581	17%	17,099,298	4,703,283	22%	

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

	November 2018 Official Forecast	Funding Adjustments	Expected Appropriation	Year over Year Growth	Expenditures through March FY2019	Balance Remaining Amount	%
General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	35%	4,598,089,653	1,853,990,812	29%
Capitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	21%	1,568,404,014	678,674,841	30%
Capitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	-91%	58,129,337	20,035,277	26%
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%	3,156,234,404	1,181,291,113	27%
MCO Pharmacy Rebates	(215,179,532)	-	(215,179,532)	-28%	(189,169,113)	(26,010,419)	12%
General Medical Care: Fee-For-Service	1,430,568,461	-	1,430,568,461	-12%	1,044,419,224	386,149,237	27%
Inpatient Hospital	298,635,198	-	298,635,198	-15%	198,503,857	100,131,341	34%
Outpatient Hospital	83,653,363	-	83,653,363	-16%	58,576,658	25,076,705	30%
Physician/Practitioner Services	94,131,719	-	94,131,719	-24%	66,776,360	27,355,359	29%
Clinic Services	95,540,514	-	95,540,514	-25%	65,994,716	29,545,799	31%
Pharmacy	53,884,192	-	53,884,192	-35%	42,933,029	10,951,163	20%
FFS Pharmacy Rebates	(22,056,422)	-	(22,056,422)	-51%	(10,183,787)	(11,872,635)	54%
Medicare Premiums Part A & B	326,567,029	-	326,567,029	1%	243,588,425	82,978,604	25%
Medicare Premiums Part D	257,991,210	-	257,991,210	2%	193,644,684	64,346,527	25%
Dental	153,213,615	-	153,213,615	0%	114,824,414	38,389,201	25%
Transportation	51,713,777	-	51,713,777	-23%	37,458,649	14,255,129	28%
All Other	37,294,265	-	37,294,265	-56%	32,302,220	4,992,044	13%
Behavioral Health & Rehabilitative Services	186,076,127	-	186,076,127	-74%	177,841,654	8,234,472	4%
MH Case Management	12,981,422	-	12,981,422	-82%	15,715,644	(2,734,222)	-21%
MH Residential Services	17,480,605	-	17,480,605	10%	1,492,868	14,987,737	9%
MH Rehabilitative Services	125,236,943	-	125,236,943	-77%	116,194,481	9,042,462	7%
Early Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	-65%	29,943,792	433,364	1%
Long-Term Care Services	1,442,690,739	-	1,442,690,739	-24%	1,067,420,619	375,270,120	26%
Nursing Facility	162,699,297	-	162,699,297	-60%	122,025,795	40,673,502	25%
Private ICF/MRs	117,292,021	-	117,292,021	2%	89,140,443	28,151,578	24%
PACE	62,545,942	-	62,545,942	-6%	37,419,284	25,126,658	40%
HCBC Waivers: Personal Support	176,630,259	-	176,630,259	-60%	141,274,219	35,356,040	20%
HCBC Waivers: Habilitation	819,698,876	-	819,698,876	10%	603,126,883	216,571,993	26%
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	37,294,735	-	37,294,735	-22%	27,069,245	10,225,490	27%
HCBC Waivers: Case Management & Support	66,529,607	-	66,529,607	1%	47,364,750	19,164,858	29%
Hospital Payments	657,789,477	-	657,789,477	3%	638,127,218	19,662,259	3%
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%
Total Forecasted BASE Medicaid Expenditures	10,604,061,892	-	10,604,061,892	10%	7,695,150,327	2,908,911,565	27%
Federal Funds	5,210,816,570	-	5,210,816,570	2%	3,770,804,443	1,440,012,128	28%
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	4,794,524,430	-	4,794,524,430	6%	3,639,719,906	1,154,804,525	24%
Mental Health Services CSA	-	71,713,945	71,713,945	-3%	55,791,351	15,922,594	22%
Federal Funds	-	43,187,748	43,187,748	17%	27,895,676	15,292,073	35%
State Funds	-	28,526,197	28,526,197	-23%	27,895,676	630,522	2%
MHMR Facility Reimbursements (45607)	123,671,762	-	123,671,762	-13%	110,110,468	13,561,294	11%
Federal Funds	61,835,881	-	61,835,881	-13%	55,055,233	6,780,648	11%
State Funds	61,835,881	-	61,835,881	-13%	55,055,235	6,780,646	11%
Total BASE Medicaid Program (456) by Fund	10,727,733,654	71,713,945	10,799,447,599	10%	7,861,052,146	2,938,395,453	27%
Federal Funds	5,272,652,451	43,187,748	5,315,840,199	2%	3,853,755,351	1,462,084,848	28%
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%	3,722,670,816	1,162,215,692	24%
Medicaid Expansion	901,253,203	-	901,253,203	-	262,367,516	638,885,687	71%
General Medical Care: MCOs	656,374,135	-	656,374,135	-	189,160,478	467,213,657	71%
Capitation Payments: Low-Income Adults & Children	244,879,068	-	244,879,068	-	73,207,038	171,672,030	70%
Capitation Payments: CCC+ Program	94,595,365	-	94,595,365	-	32,257,214	62,338,151	66%
General Medical Care: Fee-For-Service	66,411,184	-	66,411,184	-	13,132,085	53,279,099	80%
Inpatient Hospital	6,478,183	-	6,478,183	-	7,001,414	(523,231)	-8%
Outpatient Hospital	11,369,914	-	11,369,914	-	4,652,755	6,717,159	59%
Physician/Practitioner Services	724,194	-	724,194	-	518,104	206,090	28%
Clinic Services	2,661,334	-	2,661,334	-	2,978,814	(317,480)	-12%
Pharmacy	6,084,530	-	6,084,530	-	1,938,586	4,145,944	68%
Dental	430,112	-	430,112	-	1,838,148	(1,408,036)	-327%
Transportation	435,914	-	435,914	-	197,307	238,607	55%
All Other	2,109,471	-	2,109,471	-	704,519	1,404,952	67%
Behavioral Health & Rehabilitative Services	114,927	-	114,927	-	73,789	41,138	36%
MH Case Management	-	-	-	-	57,768	(57,768)	-
MH Residential Services	1,994,544	-	1,994,544	-	572,961	1,421,583	71%
MH Rehabilitative Services	1,619,423	-	1,619,423	-	404,553	1,214,870	75%
Long-Term Care Services	-	-	-	-	149,509	(149,509)	-
Nursing Facility	-	-	-	-	11,999	(11,999)	-
PACE	1,391,975	-	1,391,975	-	47,866	1,344,109	97%
HCBC Waivers: Personal Support	-	-	-	-	164,768	(164,768)	-
HCBC Waivers: Habilitation	227,448	-	227,448	-	30,411	197,037	87%
HCBC Waivers: Case Management & Support	7,659,970	-	7,659,970	-	-	7,659,970	100%
Hospital Payments	86,590,915	-	86,590,915	-	-	86,590,915	100%
Supplemental Rate Assessment Payments	1,093,828,347	-	1,093,828,347	-	295,733,801	798,094,546	73%
Total Medicaid EXPANSION Expenditures	1,017,299,763	-	1,017,299,763	-	275,034,881	742,264,882	73%
Federal Funds	6,061,364	-	6,061,364	-	-	6,061,364	100%
Rate Assessment	70,467,221	-	70,467,221	-	20,698,922	49,768,299	71%
Coverage Assessment	11,821,562,001	71,713,945	11,893,275,946	21%	8,156,785,948	3,736,489,998	31%
Total Medicaid Expenditures (Base + Expansion)	6,289,952,214	43,187,748	6,333,139,962	21%	4,128,790,232	2,204,349,730	35%
Federal Funds	194,503,188	-	194,503,188	-	84,625,979	109,877,209	56%
Rate Assessment	70,467,221	-	70,467,221	-	20,698,922	49,768,299	71%
Coverage Assessment	410,279,068	-	410,279,068	-	200,000,000	210,279,068	51%
Virginia Health Care Fund	4,856,360,311	28,526,197	4,884,886,508	6%	3,722,670,816	1,162,215,692	24%
State Funds	213,752,531	-	213,752,531	8%	148,097,448	65,655,083	31%
FAMIS Expenditures (446)	188,474,155	-	188,474,155	8%	130,427,131	58,047,024	31%
Federal Funds	14,065,627	-	14,065,627	0%	12,000,000	2,065,627	15%
Special Funds	11,212,749	-	11,212,749	23%	5,670,317	5,542,432	49%
State Funds	187,688,174	-	187,688,174	13%	143,276,558	44,411,616	24%
M-CHIP Expenditures (466)	165,885,593	-	165,885,593	13%	126,177,260	39,708,333	24%
Federal Funds	21,802,581	-	21,802,581	17%	17,099,298	4,703,283	22%
State Funds							