



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

September 17, 2019

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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: Karen Kimsey *KK*
Director, Virginia Department of Medical Assistance Services

SUBJECT: Monthly Report on May Medicaid Expenditures due June 20, 2019

This report is submitted in compliance with Item 307.B.1 of the 2019 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 “FY 2019 Budget” column represents the 2019 Appropriation Act effective May 2, 2019.
- The “Funding Adjustments” column represents budget execution adjustments and unallotted amounts.

Key Takeaways:

1. The category “All Other” in Base Medicaid, which includes Hospice, Health Insurance Premiums and Medical Appliances, exceeds the budget due to a slower than expected movement of members from fee for service to managed care.
2. The percentage spent in Behavioral Health & Rehabilitative Services for the Base Medicaid population is high at 101%. The majority of these services moved into managed care (Medallion 4.0) on a rolling basis through December and costs are reflected in the section titled “General Medical Care: MCOs.” 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.
3. “Healthcare Coverage for Low-Income Uninsured Adults” (Medicaid Expansion) began January 1st and has experienced only five months of expenditures. The 62% spent in Total Medicaid Expansion is reflective of the initial months of this program.
4. In this first year of Expansion, the population has been slower to move from fee for service to managed care, resulting in an imbalance between the two categories of expenditures.
5. Overall spending is on target to finish the year in line with the forecast.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

KK/

Enclosure

pc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources

**Department of Medical Assistance Services
Detail Report on Medicaid Expenditures
May FY 2019**

		FY 2019 Official Forecast	Funding Adjustments	FY 2019 Adjusted Budget	Expenditures through May FY2019	% Spent
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	5,659,155,254	88%
	General Medical Care: Fee-For-Service	1,507,511,083	(12,325,791)	1,495,185,292	1,261,540,391	84%
	Behavioral Health & Rehabilitative Services ²	186,076,127	-	186,076,127	188,340,061	101%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	1,321,586,228	92%
	Hospital Payments	657,789,477	-	657,789,477	647,958,374	99%
	Supplemental Rate Assessment Payments	376,883,647	-	376,883,647	286,640,815	76%
	Total BASE Medicaid Program (456) by Fund	10,623,031,538	(12,325,791)	10,610,705,747	9,365,221,123	88%
	Federal Funds	5,210,816,569	-	5,210,816,569	4,516,146,806	87%
	Rate Assessment	188,441,824	-	188,441,824	143,320,407	76%
	Virginia Health Care Fund	410,279,068	-	410,279,068	373,000,000	91%
State Funds	4,813,494,077	(12,325,791)	4,801,168,286	4,332,753,911	90%	
Medicaid Expansion³	General Medical Care: MCOs	901,253,203	-	901,253,203	577,387,088	64%
	General Medical Care: Fee-For-Service	94,595,365	-	94,595,365	84,713,203	90%
	Behavioral Health & Rehabilitative Services	2,109,471	-	2,109,471	1,998,857	95%
	Long-Term Care Services	1,619,423	-	1,619,423	1,682,103	104%
	Hospital Payments	7,659,970	-	7,659,970	954,049	12%
	Supplemental Rate Assessment Payments	86,590,915	-	86,590,915	5,984,658	7%
	Total Medicaid EXPANSION Expenditures⁴	1,093,828,347	-	1,093,828,347	672,719,958	62%
	Federal Funds	1,017,299,763	-	1,017,299,763	625,634,951	61%
Rate Assessment	6,061,364	-	6,061,364	418,925	7%	
Coverage Assessment	70,467,221	-	70,467,221	46,666,082	66%	
Total Medicaid	Total Medicaid Expenditures (Base + Expansion)⁵	11,716,859,885	(12,325,791)	11,704,534,094	10,037,941,081	86%
	Federal Funds	6,228,116,332	-	6,228,116,332	5,141,781,757	83%
	Rate Assessment	194,503,188	-	194,503,188	143,739,332	74%
	Coverage Assessment	70,467,221	-	70,467,221	46,666,082	66%
	Virginia Health Care Fund	410,279,068	-	410,279,068	373,000,000	91%
	State Funds	4,813,494,077	(12,325,791)	4,801,168,286	4,332,753,911	90%

**Department of Medical Assistance Services
Detail Report on Medicaid Expenditures
May FY 2019**

		FY 2019 Official Forecast	Funding Adjustments	FY 2019 Adjusted Budget	Expenditures through May FY2019	% Spent
Medicaid	General Medical Care: MCOs	6,452,080,465	-	6,452,080,465	5,659,155,254	88%
	Capitation Payments: Low-Income Adults & Children	2,247,078,855	-	2,247,078,855	1,934,922,930	86%
	Capitation Payments: Aged, Blind & Disabled	78,164,614	-	78,164,614	74,010,903	95%
	Capitation Payments: Duals/CCC Program	4,491,011	-	4,491,011	4,491,011	100%
	Capitation Payments: CCC+ Program	4,337,525,517	-	4,337,525,517	3,876,916,449	89%
	MCO Pharmacy Rebates	(215,179,532)	-	(215,179,532)	(231,186,040)	107%
	General Medical Care: Fee-For-Service	1,507,511,083	(12,325,791)	1,495,185,292	1,261,540,391	84%
	Inpatient Hospital	375,577,820	(12,521,371)	363,056,449	231,984,904	64%
	Outpatient Hospital	83,653,363	-	83,653,363	67,151,385	80%
	Physician/Practitioner Services	94,131,719	-	94,131,719	90,787,378	96%
	Clinic Services	95,540,514	195,580	95,736,094	83,030,417	87%
	Pharmacy	53,884,192	-	53,884,192	45,403,104	84%
	FFS Pharmacy Rebates	(22,056,422)	-	(22,056,422)	(24,619,489)	112%
	Medicare Premiums Part A & B	326,567,029	-	326,567,029	298,754,024	91%
	Medicare Premiums Part D	257,991,210	-	257,991,210	237,995,092	92%
	Dental	153,213,615	-	153,213,615	141,915,663	93%
	Transportation	51,713,777	-	51,713,777	50,038,888	97%
	All Other ¹	37,294,265	-	37,294,265	39,099,024	105%
	Behavioral Health & Rehabilitative Services²	186,076,127	-	186,076,127	188,340,061	101%
	MH Case Management	12,981,422	-	12,981,422	16,070,223	124%
	MH Residential Services	17,480,605	-	17,480,605	21,114,517	121%
	MH Rehabilitative Services	125,236,943	-	125,236,943	118,539,472	95%
	Early Intervention & EPSDT-Authorized Services	30,377,156	-	30,377,156	32,615,849	107%
	Long-Term Care Services	1,442,690,739	-	1,442,690,739	1,321,586,228	92%
	Nursing Facility	162,699,297	-	162,699,297	148,208,683	91%
	Private ICF/MRs	117,292,021	-	117,292,021	111,088,974	95%
	PACE	62,545,942	-	62,545,942	55,182,012	88%
HCBC Waivers: Personal Support	176,630,259	-	176,630,259	173,695,126	98%	
HCBC Waivers: Habilitation	819,698,876	-	819,698,876	742,081,404	91%	
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	37,294,735	-	37,294,735	33,353,487	89%	
HCBC Waivers: Case Management & Support	66,529,607	-	66,529,607	57,976,542	87%	
Hospital Payments	657,789,477	-	657,789,477	647,958,374	99%	
Supplemental Rate Assessment Payments	376,883,647	-	376,883,647	286,640,815	76%	
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