



**COMMONWEALTH of VIRGINIA**  
*Department of Medical Assistance Services*

October 1, 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

Mr. Daniel Timberlake  
Director, Department of Planning and Budget

Mr. Sean T. Connaughton  
President and CEO, VHHA

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

SUBJECT: Coverage Rate Assessment

This report is submitted in compliance with the Virginia Acts of the Assembly – Item 3-5.15 E of the 2019 Appropriation Act, which states:

*DMAS shall submit a report due September 1 of each year to the Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees, and the Virginia Hospital and Healthcare Association. The report shall include, for the most recently completed fiscal year, the revenue collected from the coverage assessment, expenditures for purposes authorized by this Item, and the year-end coverage assessment balance in the Health Care Coverage Assessment Fund. The report shall also include a complete and itemized listing of all administrative costs included in the coverage assessment.*

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

KK/wl

Enclosure

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

**DMAS COVERAGE ASSESSMENT SUMMARY  
FINAL SFY2019**

	Assessment Estimate		Funding Adjustments <sup>1</sup>		Total Current Appropriation		YTD actuals as of June		Balance Remaining	
	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds
<b>DMAS Administrative</b>										
Medical Assistance Management Services	3,303,165	977,271	-	-	3,303,165	977,271	867,051	308,138	2,436,114	669,133
Administration & Support Services	33,493,793	9,884,089	-	-	33,493,793	9,884,089	28,483,864	7,367,635	5,009,929	2,516,454
COMPASS/1115 Waiver Costs	-	-	3,360,286	1,680,143	3,360,286	1,680,143	1,343,359	671,680	2,016,927	1,008,463
<b>DSS Administrative</b>										
Expansion Administrative Cost	19,099,057	4,774,764	-	-	19,099,057	4,774,764	19,049,988	4,762,497	49,069	12,267
COMPASS/1115 Waiver Costs	-	-	-	-	-	-	-	-	-	-
<b>DMAS Medical Costs</b>										
Claims and Hospital Payments <sup>2</sup>	1,007,237,432	70,467,221	-	-	1,007,237,432	70,467,221	860,752,662	60,246,229	146,484,770	10,220,992
<b>Coverage Assessment Total</b>	<b>\$ 1,063,133,447</b>	<b>\$ 86,103,345</b>	<b>\$ 3,360,286</b>	<b>\$ 1,680,143</b>	<b>\$ 1,066,493,733</b>	<b>\$ 87,783,488</b>	<b>\$ 910,496,924</b>	<b>\$ 73,356,179</b>	<b>\$ 155,996,809</b>	<b>\$ 14,427,309</b>

<sup>1</sup>General Assembly and Intra-Agency Budget Adjustments

**Coverage Assessment Revenues  
FINAL SFY2019**

Coverage Assessment 2019			
DMAS	<sup>2</sup> Total		Cumulative Remaining Balance
	Collections	Total Spending	
Balance from previous year			\$ -
July	\$ -	\$ -	\$ -
August	\$ -	\$ -	\$ -
September	\$ -	\$ -	\$ -
October	\$ -	\$ -	\$ -
November	\$ 29,097,771	\$ -	\$ 29,097,771
December	\$ -	\$ -	\$ 29,097,771
January	\$ 19,791,004	\$ 110,697	\$ 48,778,078
February	\$ 9,365,155	\$ 13,909,475	\$ 44,233,758
March	\$ 610,694	\$ 11,453,515	\$ 33,390,937
April	\$ 28,720,280	\$ 17,229,063	\$ 44,882,154
May	\$ -	\$ 15,269,039	\$ 29,613,115
June	\$ 6,415,850	\$ 15,396,657	\$ 20,632,308
<b>Coverage Assessment Year End Balance</b>	<b>\$ 94,000,754</b>	<b>\$ 73,368,446</b>	<b>\$ 20,632,308</b>

**Coverage Assessment Administrative Detail  
FINAL SFY2019**

**DMAS Administrative Costs**

**Expansion**

Contract	Coverage Assessment Estimate			Funding Adjustments <sup>1</sup>			Total Current Appropriation			YTD Actuals as of June			Balance Remaining		
	Total Funds	Special Funds	FED	Total Funds	Special Funds	FED	Total Funds	Special Funds	FED	Total	Special Funds	FED	Total	Special Funds	FED
Claims Processing (MMIS)	\$2,110,673	\$559,123	\$1,551,550	\$0	\$0	\$0	\$2,110,673	\$559,123	\$1,551,550	\$331,322	\$82,830	\$248,491	\$1,779,351	\$476,293	\$1,303,059
Magellan BHSA PMPMs	\$946,076	\$294,940	\$651,136	\$0	\$0	\$0	\$946,076	\$294,940	\$651,136	\$362,385	\$138,635	\$223,750	\$583,691	\$156,305	\$427,387
DentaQuest PMPMs	\$246,416	\$123,208	\$123,208	\$0	\$0	\$0	\$246,416	\$123,208	\$123,208	\$173,344	\$86,672	\$86,672	\$73,072	\$36,536	\$36,536
<b>Total</b>	<b>\$3,303,165</b>	<b>\$977,271</b>	<b>\$2,325,894</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,303,165</b>	<b>\$977,271</b>	<b>\$2,325,894</b>	<b>\$867,051</b>	<b>\$308,138</b>	<b>\$558,913</b>	<b>\$2,436,114</b>	<b>\$669,133</b>	<b>\$1,766,981</b>

Conduent - CoverVA eligibility and system changes	\$19,181,872	\$3,872,236	\$15,309,636	\$0	\$0	\$0	\$19,181,872	\$3,872,236	\$15,309,636	\$17,541,515	\$3,501,312	\$14,040,203	\$1,640,357	\$370,925	\$1,269,433
Conduent - CoverVa \$500,000 initial contract Modification	\$500,000	\$125,000	\$375,000	\$0	\$0	\$0	\$500,000	\$125,000	\$375,000	\$500,000	\$125,000	\$375,000	\$0	\$0	\$0
Conduent - MMIS System Changes	\$1,421,384	\$343,417	\$1,077,968	\$0	\$0	\$0	\$1,421,384	\$343,417	\$1,077,968	\$2,400,885	\$477,563	\$1,923,321	-\$979,501	-\$134,147	-\$845,354
Conduent - Medicaid ID Cards	\$220,000	\$110,000	\$110,000	\$0	\$0	\$0	\$220,000	\$110,000	\$110,000	\$132,473	\$66,236	\$66,236	\$87,528	\$43,764	\$43,764
VCU Evaluation	\$298,000	\$149,000	\$149,000	\$0	\$0	\$0	\$298,000	\$149,000	\$149,000	\$222,322	\$111,161	\$111,161	\$75,678	\$37,839	\$37,839
Magellan RX (PBMS)	\$538,379	\$269,190	\$269,190	\$0	\$0	\$0	\$538,379	\$269,190	\$269,190	\$538,379	\$269,190	\$269,190	\$538,379	\$269,190	\$269,190
VHCF - Project Connect Outreach	\$200,000	\$100,000	\$100,000	\$0	\$0	\$0	\$200,000	\$100,000	\$100,000	\$93,759	\$38,620	\$55,139	\$106,241	\$61,380	\$44,861
Myers & Stauffer Eligibility Audits	\$297,500	\$148,750	\$148,750	\$0	\$0	\$0	\$297,500	\$148,750	\$148,750	\$208,235	\$104,117	\$104,117	\$89,265	\$44,633	\$44,633
Mercer - Rate Setting	\$379,100	\$189,550	\$189,550	\$0	\$0	\$0	\$379,100	\$189,550	\$189,550	\$336,905	\$168,453	\$168,453	\$42,195	\$21,098	\$21,098
Mckinsey & Company - Organizational Readiness Review	\$460,000	\$230,000	\$230,000	\$0	\$0	\$0	\$460,000	\$230,000	\$230,000	\$438,739	\$96,523	\$342,216	\$21,261	\$133,477	-\$112,216
Maximus Enrollment Broker	\$2,522,809	\$1,261,405	\$1,261,405	\$0	\$0	\$0	\$2,522,809	\$1,261,405	\$1,261,405	\$1,820,014	\$595,312	\$1,224,702	\$702,795	\$666,092	\$36,703
Health Service Advisory Group - EQRO	\$192,738	\$48,185	\$144,554	\$0	\$0	\$0	\$192,738	\$48,185	\$144,554	\$192,738	\$48,185	\$144,554	\$0	\$0	\$0
Direct Mail Works - Mailings	\$1,200,000	\$600,000	\$600,000	\$0	\$0	\$0	\$1,200,000	\$600,000	\$600,000	\$788,116	\$394,058	\$394,058	\$411,884	\$205,942	\$205,942
KePRO Service Authorizations	\$2,000,589	\$500,147	\$1,500,442	\$0	\$0	\$0	\$2,000,589	\$500,147	\$1,500,442	\$520,166	\$130,042	\$390,125	\$1,480,423	\$370,106	\$1,110,317
Granicus/Communication	\$414,000	\$103,500	\$310,500	\$0	\$0	\$0	\$414,000	\$103,500	\$310,500	\$414,538	\$74,324	\$340,214	-\$538	\$29,176	-\$29,174
Reingold - Print Communications	\$750,000	\$375,000	\$375,000	\$0	\$0	\$0	\$750,000	\$375,000	\$375,000	\$750,000	\$375,000	\$375,000	\$0	\$0	\$0
Focused Stakeholder Engagement	\$250,000	\$125,000	\$125,000	\$0	\$0	\$0	\$250,000	\$125,000	\$125,000	\$0	\$0	\$0	\$250,000	\$125,000	\$125,000
ComputerAid - MedEx Website modifications	\$500,000	\$250,000	\$250,000	\$0	\$0	\$0	\$500,000	\$250,000	\$250,000	\$361,880	\$180,940	\$180,940	\$138,120	\$69,060	\$69,060
Staffing - 15 Full Time Positions (GA18)	\$1,370,977	\$685,488	\$685,488	\$0	\$0	\$0	\$1,370,977	\$685,488	\$685,488	\$1,236,967	\$618,484	\$618,484	\$134,010	\$67,004	\$67,005
Staffing - 14 Full Time Positions (for 6 months) (GAB19)	\$796,445	\$398,223	\$398,223	\$0	\$0	\$0	\$796,445	\$398,223	\$398,223	\$524,613	\$262,306	\$262,306	\$271,832	\$135,916	\$135,916
<b>Total</b>	<b>\$33,493,793</b>	<b>\$9,884,089</b>	<b>\$23,609,704</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,493,793</b>	<b>\$9,884,089</b>	<b>\$23,609,704</b>	<b>\$28,483,864</b>	<b>\$7,367,635</b>	<b>\$21,116,229</b>	<b>\$5,009,929</b>	<b>\$2,516,454</b>	<b>\$2,493,475</b>

**COMPASS/1115 Waiver**

Waiver Contractor for Development (Manatt)	\$0	\$0	\$0	\$775,000	\$387,500	\$387,500	\$775,000	\$387,500	\$387,500	\$442,857	\$221,429	\$221,429	\$332,143	\$166,071	\$166,071
Waiver Contractor for Implementation (Manatt)	\$0	\$0	\$0	\$2,070,000	\$1,035,000	\$1,035,000	\$2,070,000	\$1,035,000	\$1,035,000	\$900,502	\$450,251	\$450,251	\$1,169,498	\$584,749	\$584,749
Staffing - 8 Full Time Positions (GAB18)	\$0	\$0	\$0	\$515,286	\$257,643	\$257,643	\$515,286	\$257,643	\$257,643	\$0	\$0	\$0	\$515,286	\$257,643	\$257,643
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,360,286</b>	<b>\$1,680,143</b>	<b>\$1,680,143</b>	<b>\$3,360,286</b>	<b>\$1,680,143</b>	<b>\$1,680,143</b>	<b>\$1,343,359</b>	<b>\$671,680</b>	<b>\$671,680</b>	<b>\$2,016,927</b>	<b>\$1,008,463</b>	<b>\$1,008,463</b>

**DSS Administrative Costs**

DSS Eligibility Determination	\$19,099,057	\$4,774,764	\$14,324,293	\$0	\$0	\$0	\$19,099,057	\$4,774,764	\$14,324,293	\$19,049,988	\$4,762,497	\$14,287,491	\$49,069	\$12,267	\$36,802
DSS 1115 Waiver Eligibility Determination & System Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$19,099,057</b>	<b>\$4,774,764</b>	<b>\$14,324,293</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,099,057</b>	<b>\$4,774,764</b>	<b>\$14,324,293</b>	<b>\$19,049,988</b>	<b>\$4,762,497</b>	<b>\$14,287,491</b>	<b>\$49,069</b>	<b>\$12,267</b>	<b>\$36,802</b>

**Coverage Assessment Admin Totals**

<b>Total</b>	<b>\$55,896,015</b>	<b>\$15,636,124</b>	<b>\$40,259,891</b>	<b>\$3,360,286</b>	<b>\$1,680,143</b>	<b>\$1,680,143</b>	<b>\$59,256,301</b>	<b>\$17,316,267</b>	<b>\$41,940,034</b>	<b>\$49,744,262</b>	<b>\$13,109,950</b>	<b>\$36,634,313</b>	<b>\$9,512,039</b>	<b>\$4,206,317</b>	<b>\$5,305,722</b>
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<sup>1</sup>General Assembly and Intra-Agency Budget Adjustments

**DMAS Medical Resources Needed for Medicaid Expansion**  
**FINAL SFY2019**

	Forecast		Funding Adjustments <sup>1</sup>		Total Current Appropriation		YTD actuals as of June		Year end projections		Balance Remaining	
	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds	Total Funds	Special Funds
<b>General Medical Care: MCOs</b>	<b>901,253,203</b>	<b>63,087,724</b>	-	-	<b>901,253,203</b>	<b>63,087,724</b>	<b>742,858,038</b>	<b>51,995,237</b>	<b>901,253,203</b>	<b>63,087,724</b>	<b>158,395,165</b>	<b>11,092,488</b>
Capitation Payments: Low-Income Adults & Children	656,374,135	45,946,189	-	-	656,374,135	45,946,189	556,315,129	38,937,660	656,374,135	45,946,189	100,059,006	7,008,529
Capitation Payments: Aged, Blind & Disabled	-	-	-	-	-	-	-	-	-	-	-	-
Capitation Payments: Duals/CCC Program	-	-	-	-	-	-	-	-	-	-	-	-
Capitation Payments: CCC+ Program	244,879,068	17,141,535	-	-	244,879,068	17,141,535	196,442,114	13,750,521	244,879,068	17,141,535	48,436,954	3,391,014
MCO Pharmacy Rebates	-	-	-	-	-	-	(9,899,205)	(692,944)	-	-	9,899,205	692,944
<b>General Medical Care: Fee-For-Service</b>	<b>94,595,365</b>	<b>6,621,676</b>	-	-	<b>94,595,365</b>	<b>6,621,676</b>	<b>108,573,597</b>	<b>7,598,529</b>	<b>94,595,365</b>	<b>6,621,676</b>	<b>(13,978,232)</b>	<b>(976,853)</b>
Inpatient Hospital	66,411,184	4,648,783	-	-	66,411,184	4,648,783	58,190,440	4,073,311	66,411,184	4,648,783	8,220,744	575,472
Outpatient Hospital	6,478,183	453,473	-	-	6,478,183	453,473	20,668,056	1,446,609	6,478,183	453,473	(14,189,873)	(993,136)
Physician/Practitioner Services	11,369,914	795,894	-	-	11,369,914	795,894	13,478,273	942,530	11,369,914	795,894	(2,108,359)	(146,636)
Clinic Services	724,194	50,694	-	-	724,194	50,694	1,743,866	121,965	724,194	50,694	(1,019,672)	(71,271)
Pharmacy	2,661,334	186,293	-	-	2,661,334	186,293	5,341,179	373,515	2,661,334	186,293	(2,679,845)	(187,222)
FFS Pharmacy Rebates	-	-	-	-	-	-	(548,457)	(38,392)	-	-	548,457	38,392
Medicare Premiums Part A & B	-	-	-	-	-	-	-	-	-	-	-	-
Medicare Premiums Part D	-	-	-	-	-	-	-	-	-	-	-	-
Dental	6,084,530	425,917	-	-	6,084,530	425,917	4,909,325	343,653	6,084,530	425,917	1,175,205	82,264
Transportation	430,112	30,108	-	-	430,112	30,108	3,857,183	269,993	430,112	30,108	(3,427,071)	(239,885)
All Other	435,914	30,514	-	-	435,914	30,514	933,731	65,345	435,914	30,514	(497,817)	(34,831)
<b>Behavioral Health &amp; Rehabilitative Services</b>	<b>2,109,471</b>	<b>147,663</b>	-	-	<b>2,109,471</b>	<b>147,663</b>	<b>2,385,359</b>	<b>166,975</b>	<b>2,109,471</b>	<b>147,663</b>	<b>(275,888)</b>	<b>(19,312)</b>
MH Case Management	114,927	8,045	-	-	114,927	8,045	236,713	16,570	114,927	8,045	(121,786)	(8,525)
MH Residential Services	-	-	-	-	-	-	442,018	30,941	-	-	(442,018)	(30,941)
MH Rehabilitative Services	1,994,544	139,618	-	-	1,994,544	139,618	1,706,628	119,464	1,994,544	139,618	287,916	20,154
Early Intervention & EPSDT-Authorized Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Long-Term Care Services</b>	<b>1,619,423</b>	<b>113,360</b>	-	-	<b>1,619,423</b>	<b>113,360</b>	<b>2,249,801</b>	<b>157,478</b>	<b>1,619,423</b>	<b>113,360</b>	<b>(630,378)</b>	<b>(44,118)</b>
Nursing Facility	-	-	-	-	-	-	1,202,002	84,139	-	-	(1,202,002)	(84,139)
Private ICF/MRs	-	-	-	-	-	-	29,732	2,081	-	-	(29,732)	(2,081)
PACE	-	-	-	-	-	-	58,877	4,121	-	-	(58,877)	(4,121)
HCBC Waivers: Personal Support	1,391,975	97,438	-	-	1,391,975	97,438	208,459	14,591	1,391,975	97,438	1,183,516	82,847
HCBC Waivers: Habilitation	-	-	-	-	-	-	644,844	45,136	-	-	(644,844)	(45,136)
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	-	-	-	-	-	-	570	40	-	-	(570)	(40)
HCBC Waivers: Case Management & Support	227,448	15,921	-	-	227,448	15,921	105,318	7,370	227,448	15,921	122,130	8,551
<b>Hospital Payments</b>	<b>7,659,970</b>	<b>496,799</b>	-	-	<b>7,659,970</b>	<b>496,799</b>	<b>4,685,867</b>	<b>328,011</b>	<b>7,659,970</b>	<b>496,799</b>	<b>2,974,103</b>	<b>168,788</b>
<b>Total Medicaid EXPANSION Expenditures (coverage)</b>	<b>\$ 1,007,237,432</b>	<b>\$ 70,467,221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,007,237,432</b>	<b>\$ 70,467,221</b>	<b>\$ 860,752,662</b>	<b>\$ 60,246,229</b>	<b>\$ 1,007,237,432</b>	<b>\$ 70,467,221</b>	<b>\$ 146,484,770</b>	<b>\$ 10,220,992</b>
Federal Funds	936,770,212	-	-	-	936,770,212	-	800,506,445	-	936,770,212	-	136,263,778	-
Coverage Assessment	70,467,221	-	-	-	70,467,221	-	60,246,217	-	70,467,221	-	10,220,992	-