



COMMONWEALTH of VIRGINIA  
*Department of Medical Assistance Services*

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DIRECTOR

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December 26, 2019

**MEMORANDUM**

**TO:** The Honorable Thomas K. Norment  
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.  
Co-Chairman, Senate Finance Committee

The Honorable Stephen D. Newman  
Chairman, Senate Education and Health

The Honorable S. Chris Jones  
Chairman, House Appropriations Committee

The Honorable Robert Orrock, Sr.  
Chairman, House Health, Welfare and Institutions

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

**SUBJECT:** Report on the Estimated Costs of the State/Local Hospitalization Program

Section 32.1-345 of the Code of Virginia requires the Department of Medical Assistance Services (DMAS) to report on the estimated costs of the State/Local Hospitalization (SLH) program to the Senate Committees on Education and Health and Finance, and the House Committees on Health, Welfare and Institutions and Appropriations. The current Appropriation Act does not include funding for the SLH Program; therefore, there is no basis to compile the referenced report until funding may be restored. Attached is the 2019 report.

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

JSL/

pc: The Honorable Daniel Carey, MD, Secretary of Health and Human Resources

# Annual- State/Local Hospitalization Program Report- FY 2019

A Report to the Virginia General Assembly

December 1, 2019

## Report Mandate:

*Section 32.1-345 of the Code of Virginia - The Director of Medical Assistance Services shall report each year by December 1 to the Senate Committees on Education and Health and Finance and the House Committees on Health, Welfare and Institutions and Appropriations on the estimates of the costs of the program, based on trend analyses of the estimated costs of the actual local per capita*

## The State/Local Hospitalization Program

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## About DMAS and Medicaid

***DMAS's mission is to improve the health and well-being of Virginians through access to high-quality health care coverage.***

DMAS administers Virginia's Medicaid and CHIP programs. Through the Medallion 4.0 and Commonwealth Coordinated Care (CCC) Plus managed care programs, more than 1 million Virginians access primary and specialty health services, inpatient care, behavioral health, and addiction and recovery treatment services. In addition, Medicaid long-term services and supports enable thousands of Virginians to remain in their homes or to access residential and nursing home care.

Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility rules to make health care coverage available to close to 400,000 newly eligible, low-income adults.

Medicaid and CHIP (known in Virginia as Family Access to Medical Insurance Security, or FAMIS) are jointly funded by Virginia and the federal government under Title XIX and Title XXI of the Social Security Act. Virginia generally receives a dollar-for-dollar federal spending match in the Medicaid program. Medicaid expansion qualifies the Commonwealth for a federal funding match of no less than 90 percent for newly eligible adults, generating cost savings that benefit the overall state budget.