



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

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May 11, 2020

**MEMORANDUM**

TO: The Honorable Janet D. Howell  
Chairman, Senate Finance Committee

The Honorable Luke Torian  
Chairman, House Appropriations Committee

Daniel Timberlake  
Director, Department of Planning and Budget

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

SUBJECT: Quarterly Report of Managed Care (Medicaid/CHIP) Encounter Data by Service Category for FY2020 Quarter 2 (January – March 2020) due May 1, 2020

This report is submitted in compliance with Item 307B.2 of the 2019 Appropriation Act which states:

*“The Department of Medical Assistance Services shall submit a quarterly report summarizing managed care encounter data by service category in a format similar to the report in paragraph B.1. The quarterly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees no later than 30 days after the end of each quarter.”*

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

# MCO Quarterly Expenditures by Service Category

A Report to the Virginia General Assembly

May 1, 2020

## Report Mandate:

*Item 307 B2 of the 2019 Virginia Acts of Assembly states: "The Department of Medical Assistance Services shall submit a quarterly report summarizing managed care encounter data by service category in a format similar to the report in paragraph B.1.*

*This quarterly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees no later than 30 days after the end of each quarter."*

## Executive Summary

The Department of Medical Assistance Services (DMAS or the Department) reports managed care organization (MCO) expenditures by date of service quarter, program, and service category to illustrate utilization and expenditure trends. Medicaid Expansion, implemented January 1, 2019, accounts for the significant increase in expenditures from FY2019 Quarter 2 to FY2019 Quarter 3.

After providing a covered service for a Medicaid member, a Provider has up to 12 months to submit a claim for payment. The period of time between the date of service and the date the claim is paid is defined as 'runout'. Due to the varying length of time between the date of service and the claim paid date, the quarterly amounts reported will increase over time. Longer runout periods will provide a more accurate depiction of costs for any given measurement period.

For example, the February 1, 2020 report shows expenditures for FY2019 Q4 of \$1,965 million. The comparable figure in this report is \$1,984 million. The difference, \$19 million, is the result of three additional months of runout (Jan-March 2020). Observed \$70 Million reduction in expenditures from FY2020 Quarter 1 to FY2020 Quarter 2 will be mitigated by additional runout when results are reported in July 2020. Table 4 illustrates how the length of run out affects the total claims reported for a specific period.

## Background

MCO Expenditures are based on the MCO encounters for Medallion and CCC Plus with dates of service of April 1, 2018 to December 31, 2019 for data submitted to DMAS as of April 2, 2020. The expenditure data in this report will be refreshed each quarter to reflect the most current, complete expenditure data available at the time.

***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.

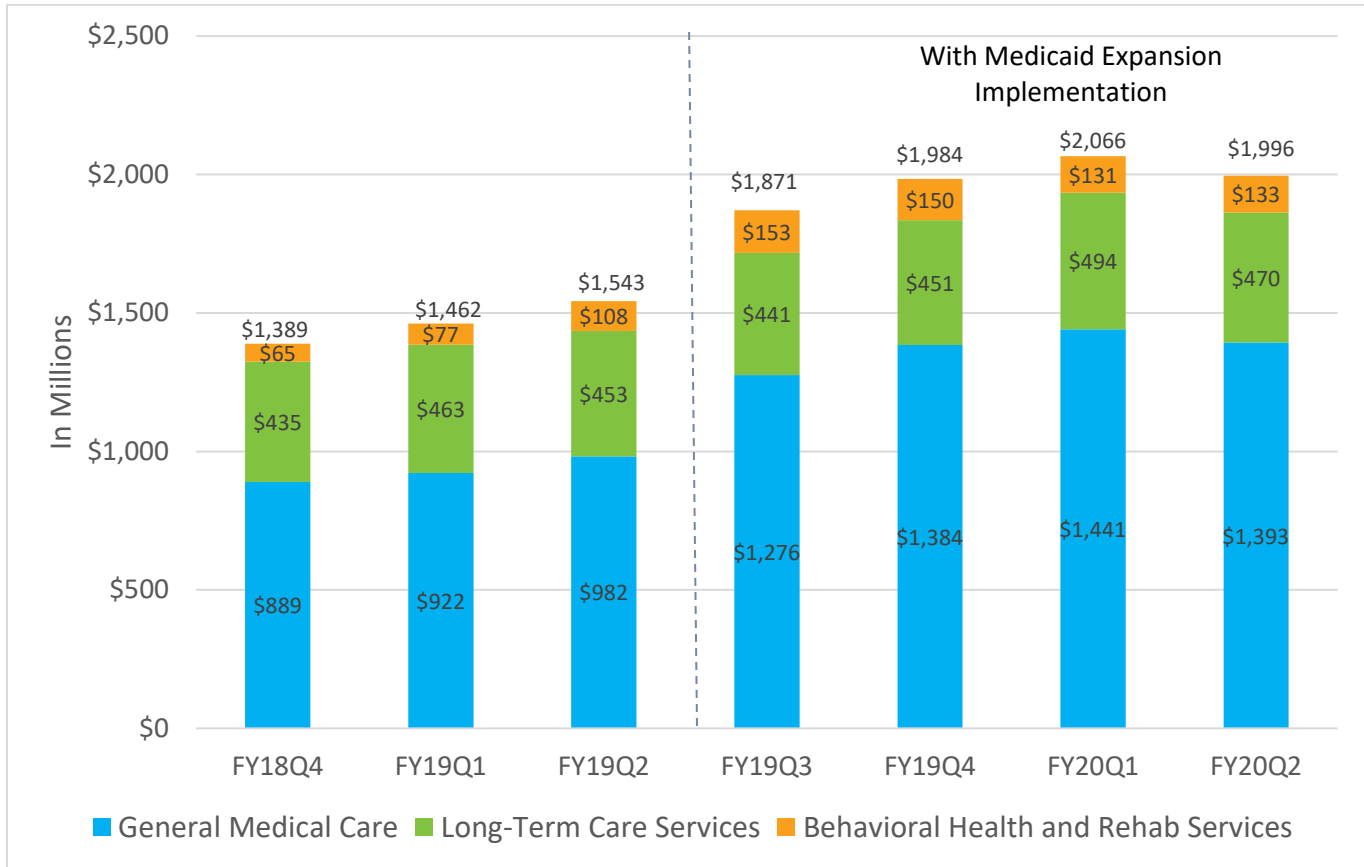
Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility rules to make health care coverage available to close to 400,000 newly eligible, low-income adults.

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.

MCO Expenditures include VA Medicaid, CHIP (FAMIS) covered services and MCO enhanced benefits like dental and do not include sub capitated payments or non-claims financial transactions. MCO Expenditures are categorized based on capitation rate service categories and cross-walked to similar budget categories.

## **Total MCO Medicaid and CHIP Expenditures**

*Medallion & CCC Plus  
by Date of Service Quarter*



**Table 1: Total MCO Medicaid and CHIP Expenditures**

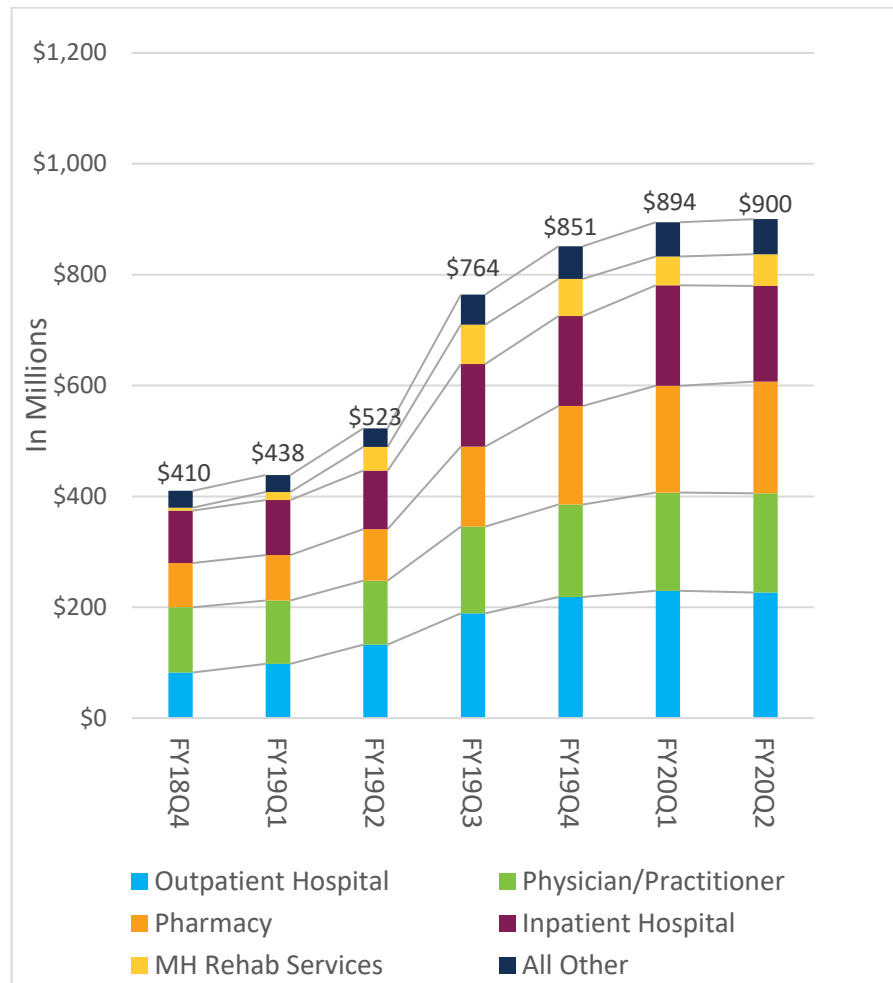
*Medallion & CCC Plus  
by Date of Service Quarter*

SERVICE CATEGORIES	FY18Q4	FY19Q1	FY19Q2	FY19Q3	FY19Q4	FY20Q1	FY20Q2
<b>General Medical Care</b>	<b>\$889,420,500</b>	<b>\$922,264,213</b>	<b>\$982,269,937</b>	<b>\$1,276,313,230</b>	<b>\$1,383,903,610</b>	<b>\$1,440,585,685</b>	<b>\$1,393,456,087</b>
Inpatient Hospital	\$195,201,240	\$209,751,219	\$217,188,544	\$281,602,780	\$295,037,996	\$309,416,805	\$283,628,447
Outpatient Hospital	\$261,670,263	\$281,001,298	\$316,590,231	\$392,666,587	\$425,455,511	\$432,334,427	\$414,673,069
Physician/Practitioner Services	\$168,072,003	\$163,518,439	\$164,048,063	\$226,195,873	\$233,020,607	\$246,643,799	\$240,548,613
Clinic Services	\$3,682,892	\$3,667,277	\$4,554,142	\$6,768,485	\$6,846,395	\$7,677,025	\$7,733,632
Pharmacy	\$202,528,699	\$207,363,408	\$223,652,567	\$293,731,030	\$341,278,760	\$360,676,323	\$363,852,773
Dental	\$32,367,901	\$33,765,850	\$34,509,444	\$39,745,830	\$46,219,233	\$47,744,960	\$46,973,692
Transportation	\$25,519,887	\$22,776,153	\$20,979,126	\$33,555,257	\$33,580,736	\$33,662,987	\$33,472,641
All Other	\$377,615	\$420,570	\$747,819	\$2,047,387	\$2,464,371	\$2,429,359	\$2,573,221
<b>Long-Term Care Services</b>	<b>\$434,719,534</b>	<b>\$463,358,517</b>	<b>\$452,953,841</b>	<b>\$440,809,027</b>	<b>\$450,796,918</b>	<b>\$494,356,014</b>	<b>\$469,591,563</b>
Nursing facility	\$208,836,492	\$223,997,866	\$222,277,863	\$219,178,471	\$226,890,116	\$246,640,363	\$255,553,824
HCBS Waivers: Personal Support	\$221,110,635	\$234,619,984	\$225,801,476	\$216,107,542	\$218,008,609	\$241,657,213	\$208,241,671
HCBS Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	\$4,769,220	\$4,732,472	\$4,868,676	\$5,516,572	\$5,886,947	\$6,052,342	\$5,789,716
HCBS Waivers: Case Management & Support	\$3,188	\$8,195	\$5,826	\$6,442	\$11,246	\$6,095	\$6,352
<b>Behavioral Health and Rehabilitative Services</b>	<b>\$64,984,732</b>	<b>\$76,663,581</b>	<b>\$107,921,202</b>	<b>\$153,391,917</b>	<b>\$149,628,757</b>	<b>\$131,181,980</b>	<b>\$132,982,518</b>
MH Case Management	\$10,779,947	\$11,799,892	\$16,158,385	\$24,170,268	\$24,785,205	\$23,806,936	\$23,744,608
MH Rehabilitative Services	\$50,843,031	\$61,184,837	\$88,139,482	\$125,166,139	\$120,635,963	\$103,172,508	\$105,325,145
Early Intervention & EPSDT-Authorized Services	\$3,361,755	\$3,678,851	\$3,623,336	\$4,055,510	\$4,207,589	\$4,202,536	\$3,912,765
<b>Grand Total</b>	<b>\$1,389,124,766</b>	<b>\$1,462,286,311</b>	<b>\$1,543,144,981</b>	<b>\$1,870,514,174</b>	<b>\$1,984,329,285</b>	<b>\$2,066,123,679</b>	<b>\$1,996,030,168</b>

## Medallion 4.0

Medallion 4.0 is a statewide managed care program for most adults and children that provides acute care and behavioral health services through an integrated delivery model.

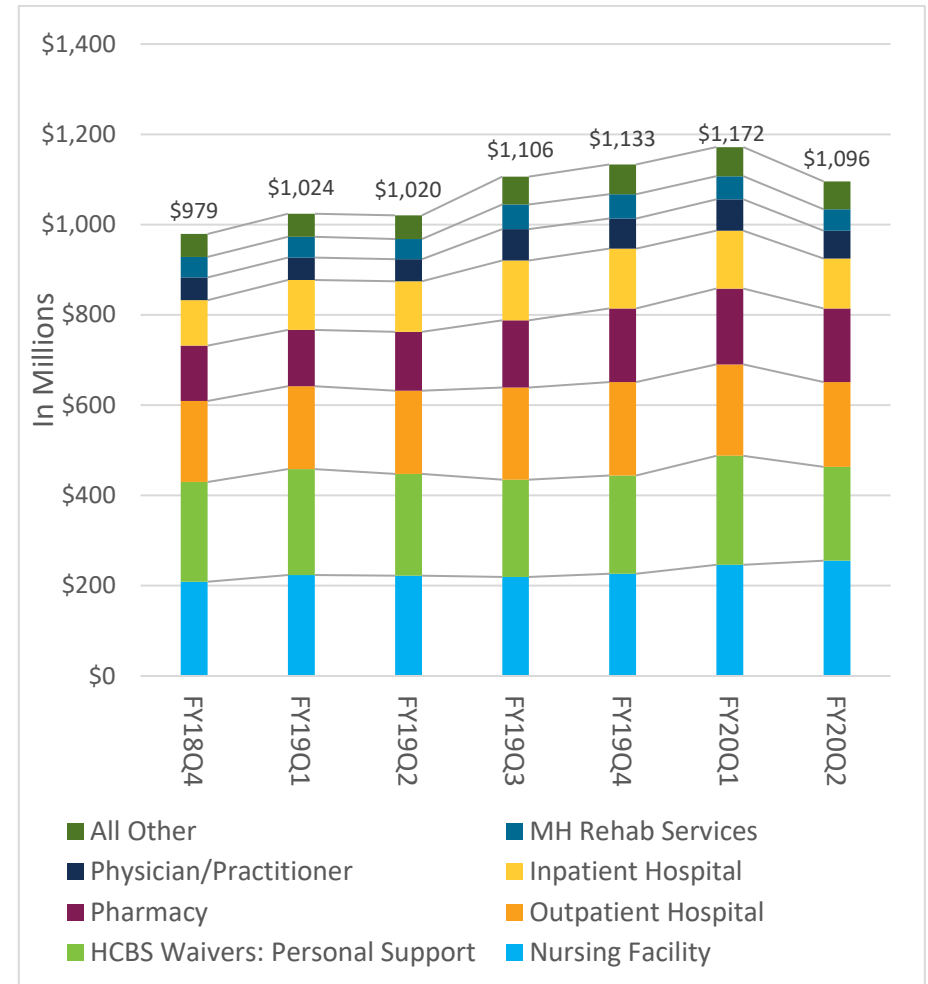
### MCO Medicaid and CHIP Expenditures by Date of Service Quarter



## CCC Plus

Commonwealth Coordinated Care Plus (CCC Plus) is a statewide managed long term services and support program that serves approximately 210,000 individuals with complex care needs, through an integrated delivery model, across the full continuum of care.

### MCO Medicaid and CHIP Expenditures by Date of Service Quarter



**Table 2: Medallion 4.0 MCO Medicaid and CHIP Expenditures**  
by Date of Service Quarter

SERVICE CATEGORIES	FY18Q4	FY19Q1	FY19Q2	FY19Q3	FY19Q4	FY20Q1	FY20Q2
<b>General Medical Care</b>	<b>\$400,691,938</b>	<b>\$418,162,302</b>	<b>\$470,546,944</b>	<b>\$678,002,170</b>	<b>\$768,122,603</b>	<b>\$826,023,782</b>	<b>\$826,318,984</b>
Inpatient Hospital	\$94,579,572	\$98,959,993	\$105,695,440	\$148,880,532	\$162,215,280	\$181,126,128	\$172,584,549
Outpatient Hospital	\$82,201,290	\$97,683,658	\$132,631,507	\$188,722,227	\$218,719,842	\$229,681,107	\$226,503,748
Physician/Practitioner Services	\$117,628,756	\$114,143,475	\$115,206,960	\$156,583,066	\$166,404,091	\$177,227,359	\$179,183,204
Clinic Services	\$2,279,425	\$2,259,574	\$3,163,661	\$4,742,965	\$4,978,192	\$5,614,315	\$5,805,778
Pharmacy	\$79,875,791	\$82,404,039	\$92,812,564	\$144,734,148	\$178,267,653	\$192,759,649	\$201,282,484
Dental	\$1,827	\$54,038	\$320,861	\$1,301,052	\$1,703,582	\$1,767,618	\$1,899,913
Transportation	\$5,339,516	\$6,418,870	\$6,177,065	\$8,638,855	\$11,110,816	\$12,898,168	\$13,339,131
All Other	\$18,785,760	\$16,238,656	\$14,538,885	\$24,399,325	\$24,723,149	\$24,949,439	\$25,720,178
<b>Long-Term Care Services</b>	<b>\$956,430</b>	<b>\$918,694</b>	<b>\$918,830</b>	<b>\$1,286,110</b>	<b>\$1,760,625</b>	<b>\$1,822,810</b>	<b>\$1,914,051</b>
Nursing facility	\$12,605	\$22,699	\$38,240	\$75,130	\$110,812	\$100,592	\$89,917
HCBS Waivers: Personal Support	\$151,394	\$149,841	\$84,784	\$205,767	\$456,198	\$436,453	\$491,969
HCBS Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	\$792,432	\$746,154	\$795,806	\$1,005,213	\$1,193,616	\$1,285,765	\$1,332,165
HCBS Waivers: Case Management & Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Behavioral Health and Rehabilitative Services</b>	<b>\$8,274,149</b>	<b>\$19,176,341</b>	<b>\$51,487,834</b>	<b>\$85,001,554</b>	<b>\$81,477,431</b>	<b>\$66,446,866</b>	<b>\$71,964,475</b>
MH Case Management	\$1,306	\$1,091,512	\$5,357,968	\$10,469,467	\$11,140,059	\$10,742,420	\$10,995,643
MH Rehabilitative Services	\$5,310,945	\$14,792,597	\$42,807,432	\$70,816,042	\$66,479,018	\$51,829,589	\$57,367,799
Early Intervention & EPSDT-Authorized Services	\$2,961,898	\$3,292,232	\$3,322,434	\$3,716,045	\$3,858,355	\$3,874,856	\$3,601,032
<b>Grand Total</b>	<b>\$409,922,517</b>	<b>\$438,257,337</b>	<b>\$522,953,609</b>	<b>\$764,289,834</b>	<b>\$851,360,659</b>	<b>\$894,293,458</b>	<b>\$900,197,510</b>

**Table 3: CCC Plus MCO Medicaid and CHIP Expenditures**  
by Date of Service Quarter

SERVICE CATEGORIES	FY18Q4	FY19Q1	FY19Q2	FY19Q3	FY19Q4	FY20Q1	FY20Q2
<b>General Medical Care</b>	<b>\$488,728,562</b>	<b>\$504,101,911</b>	<b>\$511,722,993</b>	<b>\$598,311,061</b>	<b>\$615,781,006</b>	<b>\$614,561,903</b>	<b>\$567,137,102</b>
Inpatient Hospital	\$100,621,668	\$110,791,225	\$111,493,104	\$132,722,249	\$132,822,716	\$128,290,678	\$111,043,898
Outpatient Hospital	\$179,468,973	\$183,317,640	\$183,958,724	\$203,944,360	\$206,735,669	\$202,653,320	\$188,169,321
Physician/Practitioner Services	\$50,443,247	\$49,374,965	\$48,841,103	\$69,612,807	\$66,616,517	\$69,416,440	\$61,365,409
Clinic Services	\$1,403,467	\$1,407,703	\$1,390,481	\$2,025,520	\$1,868,203	\$2,062,711	\$1,927,854
Pharmacy	\$122,652,908	\$124,959,369	\$130,840,003	\$148,996,882	\$163,011,107	\$167,916,674	\$162,570,288
Dental	\$375,788	\$366,532	\$426,958	\$746,336	\$760,790	\$661,740	\$673,309
Transportation	\$27,028,385	\$27,346,980	\$28,332,379	\$31,106,974	\$35,108,417	\$34,846,791	\$33,634,561
All Other	\$6,734,127	\$6,537,498	\$6,440,240	\$9,155,932	\$8,857,587	\$8,713,548	\$7,752,463
<b>Long-Term Care Services</b>	<b>\$433,763,104</b>	<b>\$462,439,824</b>	<b>\$452,035,011</b>	<b>\$439,522,917</b>	<b>\$449,036,292</b>	<b>\$492,533,203</b>	<b>\$467,677,512</b>
Nursing facility	\$208,823,887	\$223,975,167	\$222,239,623	\$219,103,341	\$226,779,305	\$246,539,771	\$255,463,907
HCBS Waivers: Personal Support	\$220,959,241	\$234,470,143	\$225,716,692	\$215,901,775	\$217,552,411	\$241,220,760	\$207,749,701
HCBS Waivers: Nursing, EM/AT, Adult Day Care, Alzheimers	\$3,976,788	\$3,986,318	\$4,072,870	\$4,511,359	\$4,693,331	\$4,766,577	\$4,457,552
HCBS Waivers: Case Management & Support	\$3,188	\$8,195	\$5,826	\$6,442	\$11,246	\$6,095	\$6,352
<b>Behavioral Health and Rehabilitative Services</b>	<b>\$56,710,583</b>	<b>\$57,487,239</b>	<b>\$56,433,368</b>	<b>\$68,390,363</b>	<b>\$68,151,326</b>	<b>\$64,735,115</b>	<b>\$61,018,043</b>
MH Case Management	\$10,778,641	\$10,708,380	\$10,800,417	\$13,700,801	\$13,645,146	\$13,064,516	\$12,748,965
MH Rehabilitative Services	\$45,532,086	\$46,392,239	\$45,332,050	\$54,350,097	\$54,156,946	\$51,342,919	\$47,957,346
Early Intervention & EPSDT-Authorized Services	\$399,856	\$386,619	\$300,902	\$339,465	\$349,234	\$327,680	\$311,732
<b>Grand Total</b>	<b>\$979,202,249</b>	<b>\$1,024,028,974</b>	<b>\$1,020,191,372</b>	<b>\$1,106,224,341</b>	<b>\$1,132,968,625</b>	<b>\$1,171,830,221</b>	<b>\$1,095,832,658</b>

**Appendix: Claim Payment Run-Out for FY2019 MCO Medicaid and CHIP Expenditures**

Dates of Service July 1, 2018 to July 30, 2019 for data submitted to DMAS as of April 2, 2020

**Table 4: MCO Expenditures by Incurred Month and MCO Paid Month**

Paid Date	Incurred Month												Grand Total
	7/1/2018	8/1/2018	9/1/2018	10/1/2018	11/1/2018	12/1/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	
7/1/2018	\$123,063,777												\$123,063,777
8/1/2018	\$213,132,638	\$136,150,752											\$349,283,389
9/1/2018	\$50,921,686	\$226,385,859	\$117,324,800										\$394,632,345
10/1/2018	\$33,565,025	\$59,213,349	\$246,403,196	\$156,497,802									\$495,679,371
11/1/2018	\$17,622,895	\$21,073,052	\$32,004,179	\$241,648,685	\$140,672,455								\$453,021,266
12/1/2018	\$12,038,417	\$15,349,208	\$25,488,706	\$48,349,682	\$244,057,449	\$140,003,642							\$485,287,104
1/1/2019	\$7,119,364	\$12,235,774	\$15,370,107	\$24,019,746	\$43,831,089	\$244,064,480	\$176,327,259						\$522,967,818
2/1/2019	\$4,327,846	\$6,974,415	\$9,297,127	\$14,628,118	\$21,006,556	\$43,945,504	\$299,316,193	\$161,500,661					\$560,996,420
3/1/2019	\$2,739,871	\$7,503,267	\$5,666,477	\$14,252,579	\$12,404,042	\$19,249,633	\$60,863,421	\$308,534,622	\$185,706,643				\$616,920,554
4/1/2019	\$4,006,907	\$2,978,556	\$3,827,341	\$5,462,453	\$7,070,362	\$11,830,862	\$22,446,955	\$44,082,333	\$327,115,205	\$200,101,810			\$628,922,784
5/1/2019	\$1,737,255	\$2,959,621	\$3,428,544	\$5,291,740	\$6,462,498	\$9,799,783	\$15,751,234	\$18,707,092	\$53,441,443	\$332,282,790	\$215,788,972		\$665,650,971
6/1/2019	\$2,368,293	\$2,824,199	\$3,759,115	\$4,980,954	\$4,187,715	\$6,355,130	\$11,749,115	\$12,347,472	\$23,517,761	\$54,986,768	\$340,093,467	\$188,659,223	\$655,829,214
7/1/2019	\$1,610,673	\$2,192,436	\$2,922,343	\$4,350,019	\$3,986,095	\$5,333,267	\$10,523,723	\$9,752,053	\$16,736,127	\$24,695,506	\$56,516,196	\$340,210,137	\$478,828,576
8/1/2019	\$1,269,874	\$2,459,237	\$2,774,883	\$4,685,313	\$5,539,476	\$7,519,884	\$7,721,125	\$7,902,764	\$9,808,845	\$12,578,667	\$21,947,555	\$39,465,172	\$123,672,794
9/1/2019	\$883,215	\$1,078,566	\$1,888,903	\$2,406,315	\$2,325,073	\$2,740,151	\$5,033,581	\$3,934,307	\$5,760,840	\$11,553,535	\$11,964,395	\$17,445,576	\$67,014,457
10/1/2019	\$1,194,066	\$1,501,485	\$1,770,983	\$2,655,292	\$3,143,050	\$4,847,820	\$7,272,378	\$5,464,597	\$8,122,833	\$9,371,291	\$13,932,999	\$13,941,650	\$73,218,443
11/1/2019	\$640,282	\$1,078,540	\$1,171,318	\$1,443,676	\$2,774,080	\$3,757,652	\$4,608,839	\$4,013,090	\$5,301,525	\$5,654,448	\$7,486,444	\$9,379,624	\$47,309,516
12/1/2019	\$1,056,559	\$1,539,839	\$2,285,736	\$1,687,411	\$1,732,592	\$2,922,730	\$2,980,401	\$2,974,442	\$3,723,504	\$4,475,557	\$5,377,179	\$6,581,720	\$37,337,669
1/1/2020	\$464,853	\$415,324	\$802,363	\$592,948	\$1,296,986	\$1,767,714	\$4,337,533	\$2,457,873	\$3,341,122	\$3,763,995	\$4,650,316	\$6,182,771	\$30,073,796
2/1/2020	\$212,202	\$695,720	\$642,040	\$1,557,184	\$1,272,216	\$1,446,116	\$2,495,690	\$3,214,679	\$6,491,587	\$4,381,494	\$4,110,918	\$7,761,937	\$34,281,786
3/1/2020	\$209,147	\$267,950	\$396,156	\$344,848	\$550,200	\$393,917	\$1,350,118	\$1,752,789	\$2,030,399	\$1,954,247	\$3,704,750	\$3,327,817	\$16,282,339
<b>Grand Total</b>	<b>\$480,184,845</b>	<b>\$504,877,149</b>	<b>\$477,224,316</b>	<b>\$534,854,762</b>	<b>\$502,311,933</b>	<b>\$505,978,285</b>	<b>\$632,777,566</b>	<b>\$586,638,774</b>	<b>\$651,097,834</b>	<b>\$665,800,108</b>	<b>\$685,573,190</b>	<b>\$632,955,628</b>	<b>\$6,860,274,391</b>

Incurred Month: the month in which the member received healthcare services and/or obtained prescription drugs

Paid Month: the month the MCO paid for members' services



## Appendix: Claim Payment Run-Out for FY2020 MCO Medicaid and CHIP Expenditures

Dates of Service July 1, 2019 to March 31, 2020 for data submitted to DMAS as of April 2, 2020

**Table 4: MCO Expenditures by Incurred Month and MCO Paid Month (continued)**

Paid Date	Incurred Month									Grand Total
	7/1/2019	8/1/2019	9/1/2019	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2020	
7/1/2019	\$218,466,997									\$218,466,997
8/1/2019	\$337,879,235	\$219,015,780								\$556,895,015
9/1/2019	\$51,909,877	\$349,600,373	\$201,051,450							\$602,561,701
10/1/2019	\$25,773,038	\$59,441,567	\$372,385,120	\$251,132,607						\$708,732,333
11/1/2019	\$24,271,161	\$20,827,066	\$47,433,368	\$337,999,806	\$215,159,450					\$645,690,851
12/1/2019	\$9,578,828	\$12,731,036	\$22,493,111	\$71,635,190	\$337,286,626	\$245,803,960				\$699,528,751
1/1/2020	\$11,968,904	\$10,574,654	\$16,409,730	\$27,866,305	\$51,881,741	\$338,357,102	\$256,983,073			\$714,041,508
2/1/2020	\$18,732,348	\$9,559,443	\$10,850,528	\$14,446,185	\$19,882,401	\$45,550,828	\$355,349,503	\$230,165,698		\$704,536,933
3/1/2020	\$4,370,372	\$4,582,165	\$6,216,403	\$9,312,058	\$10,956,751	\$18,757,350	\$53,028,801	\$330,667,368	\$171,054,761	\$608,946,029
<b>Grand Total</b>	<b>\$702,950,760</b>	<b>\$686,332,085</b>	<b>\$676,839,711</b>	<b>\$712,392,150</b>	<b>\$635,166,969</b>	<b>\$648,469,239</b>	<b>\$665,361,377</b>	<b>\$560,833,066</b>	<b>\$171,054,761</b>	<b>\$5,459,400,117</b>

Incurred Month: the month in which the member received healthcare services and/or obtained prescription drugs

Paid Month: the month the MCO paid for members' services