



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

KAREN KIMSEY
DIRECTOR

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SUITE 1300
600 EAST BROAD STREET
RICHMOND, VA 23219
804/786-7933
804/343-0634 (TDD)
www.dmas.virginia.gov

MEMORANDUM

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

The Honorable Luke E. Torian
Chair, House Appropriations Committee

The Honorable Mark D. Sickles
Vice Chair, House Appropriations Committee

Dan Timberlake
Director, Department of Planning and Budget

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

SUBJECT: COVID-19 vaccination costs incurred in FY 2021 and a projection of FY 2022 costs

This report is submitted in compliance with the Virginia Acts of the Assembly – The 2020 Appropriation Act, Item 313.XXXXX.2., which states:

XXXXX.2. By August 1, 2021, DMAS shall develop a report that details all COVID-19 vaccination costs incurred in FY 2021 and a projection of FY 2022 costs. This report shall include, at a minimum, a breakdown of spending by purpose and fund as well as the impact on managed care capitated payments. DMAS shall provide this report to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees upon completion.

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

KK/[CB]
Enclosure

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

COVID-19 vaccination costs incurred in FY 2021 and a projection of FY 2022 costs

A Report to the Virginia General Assembly

August 1, 2021

Report Mandate:

2. By August 1, 2021, DMAS shall develop a report that details all COVID-19 vaccination costs incurred in FY 2021 and a projection of FY 2022 costs. This report shall include, at a minimum, a breakdown of spending by purpose and fund as well as the impact on managed care capitated payments. DMAS shall provide this report to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees upon completion.

Executive Summary

DMAS reviewed all expenditures associated with COVID-19 vaccinations as adopted by the 2021 General Assembly session. The information presented in the table represents what was appropriated, the actual costs incurred, and the projected costs to vaccinate Non-Expansion Medicaid Adult members pursuant to Item 313 XXXXX.2:

Budget Item 313 XXXXX Fund COVID-19 Vaccine Coverage for Non-Expansion Medicaid Adults

[Item 313 XXXXX.1](#)

Health & Human Resources –	FY 22	
Department of Medical Assistance Services	\$995,742	GF
	\$995,742	NGF

Explanation:

This appropriation was created to fund the cost of COVID-19 vaccinations for non-expansion Medicaid adults in fee-for-service and managed care for state fiscal year 2021. The COVID-19 vaccine is essential for Medicaid members to protect against serious illness, ensure health equity and equal access regardless of eligibility category.

CMS Informational Bulletin dated June 3, 2021: *Medicaid, Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Related Provisions in the American Rescue Plan Act (ARP) of 2021*, authorizes states to utilize 100 percent Federal Medical Assistance Percentage (FMAP) for expenditures related to COVID-19 vaccines. This provision became effective April 1, 2021.

Expenditures and projections in this report will not impact managed care capitation payments.

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 for more than 1.8 million Virginians. Members have access to primary and specialty health services, inpatient care, dental, behavioral health as well as 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 more than 500,000 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.

FY 2021 Appropriation	General Funds	Federal Funds	TOTAL
Chapter 552, Item 313 XXXXX.1	\$0	\$0	\$0

FY 2021 Expenditures	General Funds	Federal Funds	TOTAL
Fee-for-Service	\$1,283	\$9,379	\$10,662
Managed Care Carve-Out	\$0	\$7,216,470	\$7,216,470
FY 2021 Total Expenditures	\$1,283	\$7,225,849	\$7,227,132

FY 2022 Appropriation	General Funds	Federal Funds	TOTAL
Chapter 552, Item 313 XXXXX.1	\$995,742	\$995,742	\$1,991,484
FY 2022 Total Projections	\$995,742	\$995,742	\$1,991,484

FY 2022 Projections	General Funds	Federal Funds	TOTAL
Fee-for-Service	\$0	\$18,170	\$18,170
Managed Care Carve-Out	\$0	\$12,279,974	\$12,279,974
FY 2022 Total Projections	\$0	\$12,298,144	\$12,298,144