



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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November 1, 2021

The Honorable Luke E. Torian
Chairman, Appropriations Committee
Virginia House of Delegates
4222 Fortuna Center Plaza, Suite 659
Dumfries, Virginia 22025

The Honorable Janet Howell
Chairman, Finance & Appropriations Committee
Senate of Virginia
Post Office Box 2608
Reston, Virginia 201095-0608

Mr. Daniel S. Timberlake
Director, Department of Planning and Budget
1111 E. Broad Street, Room 5040
Richmond, VA 23219

RE: 2021 Department of Medical Assistance Services Official Medicaid Forecast

Dear Chairman Torian, Chairman Howell, and Director Timberlake:

Pursuant to Item 317, Paragraph A. of the 2021 Appropriation Act. I am providing you with the official forecasts for Virginia General Medicaid, Behavioral Health, and Long-Term Care expenditures for fiscal years 2022 through 2024. As required by that Item, I also am providing an enrollment forecast for the same forecast period and a breakout of forecasted expenditures by caseload/utilization, inflation and policy changes. These forecasts include both the base and expansion populations of Medicaid. Please note that the current estimates for Medicare Part A premiums are subject to change upon the release of the official rates by the Centers for Medicare and Medicaid Services. These rates are not yet available; therefore, these forecasts use proxy rates.

The Honorable Luke E. Torian
The Honorable Janet Howell
Mr. Daniel S. Timberlake
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If you have any questions or need additional information, please contact my Chief Financial Officer, Mr. Chris Gordon, at (804) 318-7781 or by email chris.gordon@dmas.virginia.gov. I look forward to working with you over the coming year, thank you.

Sincerely,

A handwritten signature in blue ink that reads "Karen Kimsey". The signature is written in a cursive style with a prominent loop at the end of the last name.

Karen Kimsey
Director, Department of Medical Assistance Services

KK/dh

Enclosures

c: The Honorable Joe Flores

The Honorable Vanessa Walker Harris, M.D.

Ms. April Kees

Ms. Anne Oman

Expenditures Data for Service Level Forecasts

November 1, 2021

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Managed Care - Low Income Adults			993,020,815	971,825,800	1,040,450,505
Managed Care - Low Income Children			1,695,067,610	1,676,612,954	1,757,867,763
Health Insurer Fee (HIF or ACA Tax) Medallion 4.0			0	0	0
M4.0 Performance Withhold Program			26,766,858	28,275,114	27,850,212
M4.0 Clinical Efficiency Withhold Program			6,691,715	7,068,779	6,962,553
Expenditure Refunds			(839,909)	(839,909)	(839,909)
FY Actual/Weekly Delay Adjustment			1,694,569	0	0
Managed Care - LIFC	\$2,332,813,391	\$2,595,706,563	\$2,722,401,656	\$2,682,942,738	\$2,832,291,124
Managed Care - Aged, Blind, Disabled			0	0	0
Managed Care - ALTC/HAP			0	0	0
Managed Care - Foster Care and Adoptive Assistance			100,115,098	105,310,439	112,147,839
ACA Tax - combined in the LIFC line			0	0	0
FY Actual/Weekly Delay Adjustment			58,550	0	0
Managed Care - ABD and Foster Care	\$95,736,540	\$102,781,197	\$100,173,648	\$105,310,439	\$112,147,839
Managed Care - CCC Quality Withholds			0	0	0
FY Actual/Weekly Delay Adjustment			0	0	0
Managed Care - CCC	\$8,722,877	\$0	\$0	\$0	\$0
CCC+ DD Waiver			130,928,924	138,786,386	150,157,998
CCC+ Nursing Home			811,291,103	892,149,611	928,977,631
CCC+ NH Eligible Community			2,358,871,281	2,521,842,063	2,645,356,716
CCC+ Non Long Term Care			2,077,746,184	2,099,095,477	2,213,058,072
CCC+ Tech			59,437,694	60,988,751	62,833,585
Excess Resources due to Maintenance of Effort			(643,416)	(3,217,080)	0
Discrete Incentive Payments			457,500	450,000	720,000
CCC+ Performance Withhold Program			79,202,098	57,265,966	60,021,618
CCC+ Clinical Efficiency Withhold Program			19,800,525	14,316,492	15,005,405
FY Actual/Weekly Delay Adjustment			(17,501)	0	0
Managed Care - CCC+	\$4,595,484,674	\$5,208,840,300	\$5,537,074,391	\$5,781,677,667	\$6,076,131,024
Pharmacy MCO Rebates			(396,039,746)	(402,743,380)	(414,648,013)
Pharmacy MCO Rebates	(\$341,765,387)	(\$359,811,921)	(\$396,039,746)	(\$402,743,380)	(\$414,648,013)
Inpatient Acute- General Hospital			139,413,945	155,710,471	155,853,347
Inpatient Crossover			4,992,153	6,299,756	6,368,313
Inpatient Acute- Other Facility			1,784,360	2,158,144	2,142,425
Rehabilitation Hospital			1,101,079	2,332,687	2,505,689
Prenatal Care for Emergency Services			(14,053,112)	(19,924,924)	(20,061,363)
Expenditure Refunds			(591,096)	(591,096)	(591,096)
FY Actual/Weekly Delay Adjustment			2,385,727	0	0
Inpatient Hospital	\$198,017,766	\$161,744,285	\$135,033,056	\$145,985,038	\$146,217,315
Outpatient			11,089,201	16,092,181	16,327,709
Outpatient - Emergency Department			7,800,746	12,318,262	12,654,049
Outpatient Crossover			6,114,434	7,285,479	7,271,703
Lab/X-ray			2,195,017	2,972,288	3,012,462
FY Actual/Weekly Delay Adjustment			499,470	0	0
Outpatient Hospital	\$38,836,892	\$26,050,989	\$27,698,868	\$38,668,209	\$39,265,923
Physicians			24,996,942	34,814,807	35,184,393
Physician Crossover			6,506,254	7,313,983	7,252,121
EPSDT Screenings			5,469,288	6,432,264	6,415,376
Other Practitioners			1,799,096	2,479,207	2,509,269
FY Actual/Weekly Delay Adjustment			589,619	0	0
Physician/Practitioner Services	\$61,182,701	\$57,040,050	\$39,361,199	\$51,040,260	\$51,361,159
Physical Therapy Clinics			435,513	488,831	483,415
DOE/School Clinics (100% NGF)			32,615,976	33,760,168	34,638,170
FQHC			49,514,875	50,496,736	50,475,134
Other Clinics			20,383,258	23,478,716	23,011,234
Expenditure Refunds			(88,626)	(88,626)	(88,626)
FY Actual/Weekly Delay Adjustment			1,739,716	0	0
Clinic Services	\$101,016,626	\$111,300,637	\$104,600,713	\$108,135,825	\$108,519,327
Pharmacy			9,899,367	12,346,235	12,528,231
FY Actual/Weekly Delay Adjustment			193,306	0	0

Pharmacy	\$12,438,442	\$9,755,556	\$10,092,673	\$12,346,235	\$12,528,231
Pharmacy FFS Rebates			(9,802,693)	(24,434,391)	(24,345,139)
Pharmacy FFS Rebates	(\$38,993,795)	(\$9,086,033)	(\$9,802,693)	(\$24,434,391)	(\$24,345,139)
Categorically Needy, Pt A			31,358,795	32,874,502	34,518,688
Categorically Needy, Pt B			362,613,451	352,502,068	365,916,756
Medically Needy, Pt B (100% GF)			32,207,670	34,265,370	36,225,910
FY Actual/Weekly Delay Adjustment			(4,666)	0	0
Medicare Premiums Part A & B	\$351,461,164	\$386,967,865	\$426,175,251	\$419,641,941	\$436,661,355
Medicare Part D	\$273,488,455	\$243,779,497	\$287,853,728	\$321,315,141	\$336,227,307
Dental			171,768,573	183,897,229	177,315,962
FY Actual/Weekly Delay Adjustment			2,837,866	0	0
Dental	\$129,243,573	\$140,104,341	\$174,606,439	\$183,897,229	\$177,315,962
Non-Emergency Transportation			61,623,855	61,620,025	61,618,861
Emergency Transportation			657,305	893,369	902,592
FY Actual/Weekly Delay Adjustment			(7,912)	0	0
Transportation	\$51,949,519	\$74,208,795	\$62,273,249	\$62,513,394	\$62,521,453
HIPP			9,004,127	9,038,638	9,038,601
Hospice			9,226,451	14,461,363	15,120,704
Home Health			189,883	308,267	315,256
Medical Appliances			6,394,217	7,918,860	8,059,909
FY Actual/Weekly Delay Adjustment			221,074	0	0
All Other	\$34,368,454	\$28,992,523	\$25,035,752	\$31,727,128	\$32,534,470
Nursing Facility			138,322,778	159,282,438	162,673,922
Expenditure Refunds			(109,549)	(109,549)	(109,549)
FY Actual/Weekly Delay Adjustment			(2,598,030)	0	0
Nursing Facility	\$154,624,965	\$95,964,049	\$135,615,199	\$159,172,889	\$162,564,373
ICF/MR/Private			124,276,321	130,656,338	130,380,514
Expenditure Refunds			(770,035)	(770,035)	(770,035)
FY Actual/Weekly Delay Adjustment			1,688,459	0	0
ICF/MR/Private	\$122,044,155	\$123,026,063	\$125,194,745	\$129,886,303	\$129,610,479
PACE			89,369,738	96,666,700	102,366,175
FY Actual/Weekly Delay Adjustment			28,148	0	0
PACE	\$70,787,795	\$81,925,956	\$89,397,886	\$96,666,700	\$102,366,175
PersCare, Respite, Companion: Agency			50,465,328	52,614,679	52,375,057
PersCare, Respite, Companion: CD			176,925,545	205,058,366	209,045,077
550 + 435 FIS Waiver Slots Attendant Care Costs			35,928,820	35,928,820	35,928,820
Expenditure Refunds			(4,558,440)	(4,558,440)	(4,558,440)
FY Actual/Weekly Delay Adjustment			(4,786,504)	0	0
Waiver: Personal Support	\$176,304,395	\$198,778,834	\$253,974,749	\$289,043,425	\$292,790,513
Habilitation - Congregate Residential			475,414,439	490,639,806	481,468,338
Habilitation -Sponsored Residential			185,007,405	190,226,972	190,415,028
Habilitation - InHome Residential			97,183,152	103,909,390	102,954,349
Habilitation - Day Support			108,469,463	139,290,872	145,588,120
Habilitation - Other I/DD Services			25,229,951	28,736,226	29,658,611
550 + 435 FIS Waiver Slots Habilitation Costs			14,358,812	14,358,812	14,358,812
FY Actual/Weekly Delay Adjustment			9,485,750	0	0
Waiver: Habilitation	\$833,339,096	\$821,495,799	\$915,148,971	\$967,162,079	\$964,443,259
Adult Day Care			3,869	4,330	4,275
Skilled Nursing Services			38,758,348	40,619,116	39,869,521
EM/AT/PERS			1,391,224	1,387,832	1,376,549
FY Actual/Weekly Delay Adjustment			686,037	0	0
Waiver: Nursing, EM/AT, Adult Day Care	\$38,177,334	\$38,047,587	\$40,839,478	\$42,011,278	\$41,250,346
ID Case Management			58,936,407	61,548,856	60,403,457
DD Case Management			5,458,701	6,198,491	6,444,606
CD Facilitation			4,374,961	4,797,772	4,941,930
FY Actual/Weekly Delay Adjustment			120,268	0	0
Waiver: Case Mgmt & Support Services	\$63,773,104	\$63,196,636	\$68,890,336	\$72,545,119	\$71,789,992
MH Case Management			1,250,114	1,475,853	1,476,065

FY Actual/Weekly Delay Adjustment			(1)	0	0
MH Case Management	\$1,566,416	\$1,314,911	\$1,250,113	\$1,475,853	\$1,476,065
Inpatient Residential			19,044,192	15,729,527	15,250,483
FY Actual/Weekly Delay Adjustment			0	0	0
MH Residential	\$16,642,360	\$17,036,735	\$19,044,192	\$15,729,527	\$15,250,483
State Plan Option/MH Rehab			7,393,097	7,332,796	7,400,048
FY Actual/Weekly Delay Adjustment			26,128	0	0
MH Rehabilitative	\$9,315,979	\$6,528,444	\$7,419,225	\$7,332,796	\$7,400,048
Early Intervention			332,807	673,354	703,012
EPSDT Authorized Services			14,599,513	16,450,402	15,870,402
FY Actual/Weekly Delay Adjustment			36,520	0	0
MH EI/EPSTDT Authorized	\$16,596,824	\$15,789,100	\$14,968,840	\$17,123,756	\$16,573,414
DSH			26,189,320	26,742,917	27,384,747
IME			258,979,703	248,993,907	256,214,730
GME			65,006,163	67,052,958	68,997,494
Government and Nonprofit Clinics			156,122	156,122	156,122
Hospital Supplemental Payments			17,508,989	14,330,412	14,330,412
Physician Supplemental Payments			107,646,596	107,723,437	109,206,417
IME CPE- No GF			38,107,576	38,107,576	38,107,576
IGT Funded- DSH CRMC			14,294,740	8,628,478	8,835,562
IGT Funded- PSP Reg			5,603,894	5,603,894	5,603,894
IGT Funded- HSP			7,454,851	8,015,456	8,618,218
IGT Funded- NSONFSP			9,301,029	9,512,665	9,731,456
IGT Funded- SONFSP			11,876,008	14,174,758	14,500,778
IGT Funded G&N Clinics			86,931	86,931	86,931
Supplemental Payments Medicaid Non-Expansion	\$462,702,384	\$465,389,514	\$562,211,921	\$549,129,511	\$561,774,337
Enhanced Rate Payments Non-Expansion			825,259,447	837,434,167	849,995,680
Enhanced Rate Payments Expansion			827,212,918	867,600,452	910,380,094
Enhanced Rate Payments	1,035,546,234	1,539,143,788	\$1,652,472,364	\$1,705,034,619	\$1,760,375,774
ARPA ACA Expansion			13,946,460	1,267,860	
ARPA Base Medicaid			332,076,072	24,089,340	
ARPA Funds through 456	\$0	\$0	\$346,022,532	\$25,357,200	\$0
Disallowances			0	0	0
Disallowance	\$0	\$0	\$0	\$0	\$0
ACA Expansion Medallion 4.0			3,267,096,064	3,186,143,481	3,406,235,126
ACA Expansion CCC Plus			1,207,578,522	1,262,380,652	1,460,288,822
ACA Expansion Hospital Fee For Service			219,499,212	287,160,614	299,493,691
ACA Dental			79,892,141	102,051,113	100,359,341
ACA Expansion Other Fee for Service			99,971,224	108,361,078	110,880,466
ACA Expansion Rebates			(397,456,136)	(385,178,174)	(348,595,423)
Physician Supplemental Payments - Expansion			73,529,022	73,579,781	74,559,401
IME - Expansion			42,872,392	21,473,691	22,096,428
Government and Nonprofit Clinics Expansion			342,198	342,198	342,198
IGT Funded- PSP Expansion			11,140,444	11,695,045	12,247,287
ACA Medicaid Expansion	2,791,202,474	3,680,611,147	\$4,618,411,541	\$4,669,277,338	\$5,137,907,337
Total DMAS Services	\$13,696,625,407	\$15,926,623,207	\$18,083,453,814	\$18,263,704,005	\$19,250,301,930
Total DMAS Services Without Medicaid Expansion	\$9,869,876,699	\$10,706,868,271	\$11,812,569,908	\$11,889,392,048	\$12,352,018,820

Virginia Department of Medical Assistance Services
Report: DMAS Medicaid Forecast
November 1, 2021

	Fiscal Year 2022			Fiscal Year 2023			Fiscal Year 2024		
	Current Appropriation	Preliminary Forecast	Surplus/(Need)	Current Appropriation	Preliminary Forecast	Surplus/(Need)	Current Appropriation	Preliminary Forecast	Surplus/(Need)
General Medical Care: MCOs (45609)		7,963,609,949			8,167,187,463			8,605,921,974	
Capitation Payments: Low-Income Adults & Children		2,722,401,656			2,682,942,738			2,832,291,124	
Capitation Payments: ABD and Foster Care		100,173,648			105,310,439			112,147,839	
Capitation Payments: Duals/CCC Program		0			0			0	
Capitation Payments: CCC+ Program		5,537,074,391			5,781,677,667			6,076,131,024	
MCO Pharmacy Rebates		(396,039,746)			(402,743,380)			(414,648,013)	
General Medical Care: Fee-For-Service (45609)		1,282,928,233			1,350,836,011			1,378,807,363	
Inpatient Hospital		135,033,056			145,985,038			146,217,315	
Outpatient Hospital		27,698,868			38,668,209			39,265,923	
Physician/Practitioner Services		39,361,199			51,040,260			51,361,159	
Clinic Services		104,600,713			108,135,825			108,519,327	
Pharmacy		10,092,673			12,346,235			12,528,231	
FFS Pharmacy Rebates		(9,802,693)			(24,434,391)			(24,345,139)	
Medicare Premiums Part A & B		426,175,251			419,641,941			436,661,355	
Medicare Premiums Part D		287,853,728			321,315,141			336,227,307	
Dental		174,606,439			183,897,229			177,315,962	
Transportation		62,273,249			62,513,394			62,521,453	
All Other		25,035,752			31,727,128			32,534,470	
Behavioral Health & Rehabilitative Services (45608)		42,682,369			41,661,932			40,700,009	
Mental Health Case Management		1,250,113			1,475,853			1,476,065	
Mental Health Residential Services		19,044,192			15,729,527			15,250,483	
Mental Health Rehabilitative Services		7,419,225			7,332,796			7,400,048	
Early Intervention & EPSDT-Authorized Services		14,968,840			17,123,756			16,573,414	
Long-Term Care Services (45610)		1,629,061,364			1,756,487,792			1,764,815,137	
Nursing Facility		135,615,199			159,172,889			162,564,373	
Private ICF/MRs		125,194,745			129,886,303			129,610,479	
Program of All-Inclusive Care for the Elderly (PACE)		89,397,886			96,666,700			102,366,175	
HCBC Waivers: Personal Support		253,974,749			289,043,425			292,790,513	
HCBC Waivers: Habilitation		915,148,971			967,162,079			964,443,259	
HCBC Waivers: Case Management & Support		68,890,336			72,545,119			71,789,992	
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimer		40,839,478			42,011,278			41,250,346	
Hospital Payments (45609)		562,211,921			549,129,511			561,774,337	
DSH/GME/IME/PSPs*		475,486,893			464,999,752			476,289,922	
Certified Public Expenditures		38,107,576			38,107,576			38,107,576	
Intergovernmental Transfers		48,617,453			46,022,183			47,376,840	
Medicaid Expansion Medical (45611)		4,604,465,081			4,668,009,478			5,137,907,337	
ACA Expansion Managed Care		4,474,674,585			4,448,524,133			4,866,523,948	
ACA Expansion Hospital Fee For Service		219,499,212			287,160,614			299,493,691	
ACA Expansion Other Fee for Service		179,863,365			210,412,191			211,239,808	
ACA Pharmacy Rebates		(397,456,136)			(385,178,174)			(348,595,423)	
ACA Expansion Hospital Payments		116,743,611			95,395,669			96,998,026	
ACA Expansion Intergovernmental Transfers		11,140,444			11,695,045			12,247,287	
Rate Assessment (45611)		1,652,472,364			1,705,034,619			1,760,375,774	
ACA Expansion Rate Assessments		827,212,918			867,600,452			910,380,094	
Base Medicaid Rate Assessments		825,259,447			837,434,167			849,995,680	
ARPA Funds through 456		346,022,532			25,357,200			0	
State Funds		(149,252,269)			12,044,670			0	
Federal Funds		501,217,333			13,185,744			0	
Coverage Assessment		(5,942,533)			126,786			0	
Total Medicaid - DMAS	17,651,708,927	18,083,453,814	(431,744,887)	17,651,708,927	18,263,704,005	(611,995,078)	17,651,708,927	19,250,301,930	(1,598,593,003)
Annual Percentage Growth Base Medicaid Only		10.5%			0.5%			3.9%	
Annual Percentage Growth		13.5%			1.0%			5.4%	
State Funds	5,765,662,922	5,111,974,696	653,688,226	5,765,662,922	6,056,941,316	(291,278,394)	5,765,662,922	6,295,574,726	(529,911,804)
Federal Funds	10,923,563,793	12,061,068,431	(1,137,504,638)	10,923,563,793	11,235,527,331	(311,963,538)	10,923,563,793	11,926,125,350	(1,002,561,557)
Coverage Assessment	435,380,387	453,389,931	(18,009,544)	435,380,387	465,758,229	(30,377,842)	435,380,387	512,566,005	(77,185,618)
Rate Assessment	527,101,825	457,020,756	70,081,069	527,101,825	505,477,129	21,624,696	527,101,825	516,035,849	11,065,976
TOTAL Funds	17,651,708,927	18,083,453,814	(431,744,887)	17,651,708,927	18,263,704,005	(611,995,078)	17,651,708,927	19,250,301,930	(1,598,593,003)

*Disproportionate Share Hospital/Graduate Medical Education/Indirect Medical Edu

