



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

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**April 13, 2023**

### **MEMORANDUM**

**TO:** The Honorable Glenn Youngkin  
Governor of Virginia

The Honorable Janet D. Howell  
Co-Chair, Senate Finance and Appropriations Committee

The Honorable George L. Barker  
Co-Chair, Senate Finance and Appropriations Committee  
Chair, Joint Commission on Health Care

The Honorable Barry D. Knight  
Chair, House Appropriations Committee

**FROM:** Cheryl J. Roberts  
Director, Virginia Department of Medical Assistance Services

**SUBJECT:** Report on the Status of the Family Access to Medical Insurance Security  
(FAMIS) Plan Trust Fund Due December 1, 2022

This report is submitted in compliance with Section 32.1-352 C. of the *Code of Virginia*, which states:

*The Director of the Department of Medical Assistance Services shall report annually on December 1 to the Governor, the General Assembly, and the Joint Commission on Health Care on the status of the Fund, the number of children served by this program, the costs of such services, and any issues related to the Virginia Family Access to Medical Insurance Security Plan that may need to be addressed.*

Should you have any questions or need additional information, please feel free to contact me at (804) 786-6147.

CJR/hjr

Enclosure

Pc: The Honorable John Littell, Secretary of Health and Human Resources

# Annual Report on the Status of the Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund – FY2022

A Report to the Virginia General Assembly

April 13, 2023

## Report Mandate:

*Section 32.1-352 C of the Code of Virginia requires, with regard to the Virginia Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund, that the Director of the Department of Medical Assistance Services shall report annually on December 1 to the Governor, the General Assembly, and the Joint Commission on Health Care on the status of the Fund, the number of children served by this program, the costs of such services, and any issues related to the Virginia Family Access to Medical Insurance Security Plan that may need to be addressed.*

## Background

The monies in the Virginia Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund are used, along with state general funds, to draw down federal Title XXI matching dollars to cover costs incurred in the State Children's Health Insurance Program (SCHIP). Virginia's SCHIP program is called FAMIS. The Commonwealth's federal Title XXI/CHIP dollars support the FAMIS, FAMIS MOMS, and FAMIS Prenatal Coverage programs as well as certain Medicaid-enrolled children known as the M-CHIP population.

The General Assembly established the FAMIS Plan Trust Fund in the state treasury as a special non-reverting fund in 1997. The State Corporation Commission annually calculates the tax revenue that is deposited into the Trust Fund. The *Code of Virginia* mandates that any monies remaining in the Trust Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Trust Fund. However, since 2003, language has been included in the Appropriation Act mandating that interest earnings on the Trust Fund's balance shall remain in the state general fund. Beginning with the 2005 Acts of Assembly, budget language limits deposits into the Fund to \$14,065,627 in each year of the biennium. Any amounts in excess of the appropriated amount will be deposited into the general fund.

## Status of the Fund

Chapter 1 of the 2022 Special Session I Virginia Acts of Assembly appropriated \$14,065,627 for each year of the 2020-2022 biennium.

***The mission of the Virginia Medicaid agency is to improve the health and well-being of Virginians through access to high-quality health care coverage.***

The Department of Medical Assistance Services (DMAS) administers Virginia's Medicaid and CHIP programs for over 2 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 600,000 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 an approximate 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% for newly eligible adults, generating cost savings that benefit the overall state budget.

## Overview of Virginia’s Title XXI/CHIP Populations

### **FAMIS**

The FAMIS program was established in 2001 as Virginia’s Title XXI CHIP program, replacing the Children’s Medical Security Insurance Plan (CMSIP). FAMIS provides health care coverage for uninsured children in households with incomes too high to qualify for Medicaid, but too low to otherwise afford health insurance. Currently, children age 18 and younger qualify for FAMIS if household income is between 143 and 200 percent of the federal poverty level (FPL).

### **CHIP Medicaid Expansion, or M-CHIP**

In the early years of the FAMIS program, there were different income thresholds depending on a child’s age. As a result, families sometimes had children enrolled in two different programs: younger children in the state’s Medicaid program, and older children in FAMIS. In FY 2003, the Medicaid income eligibility ceiling for children ages 6 through 18 was raised to match the limit for younger children. The children who became newly eligible for Medicaid as a result of this change are referred to as the CHIP Medicaid expansion, or M-CHIP population. These children are enrolled in children’s Medicaid, also known as FAMIS Plus, and receive the Medicaid benefit package, but their participation is funded with Title XXI dollars at the higher CHIP federal match rate. M-CHIP children are ages 6 through 18 with household income between 109 and 143 percent of the FPL.

### **FAMIS MOMS**

On August 1, 2005, Virginia’s FAMIS program expanded under a federal CHIP Section 1115 demonstration to include coverage of income-eligible pregnant women. This program, called FAMIS MOMS, provides vital prenatal, perinatal, and postpartum coverage to uninsured women who are within the CHIP/FAMIS income range (between 143 and 200 percent of FPL). Effective July 1, 2022, FAMIS MOMS coverage is continuous through 12 months postpartum.

### **FAMIS Prenatal Coverage**

Effective July 1, 2021, Virginia amended the CHIP State Plan to establish FAMIS Prenatal Coverage, in accordance with the 2021 Special Session I Appropriation Act. The FAMIS Prenatal Coverage population is comprised of pregnant individuals who otherwise meet FAMIS MOMS and Medicaid Pregnant Women income, state residency, and other eligibility criteria, but previously were ineligible due to immigration status.

## Title XXI Enrollment

In FY22, approximately 21% of children in Virginia’s Medicaid and FAMIS programs were covered with Title XXI/CHIP federal funds. The table below summarizes July 1 historical enrollment in CHIP/Title XXI-funded programs over the past three years.

**Historical CHIP Enrollment**

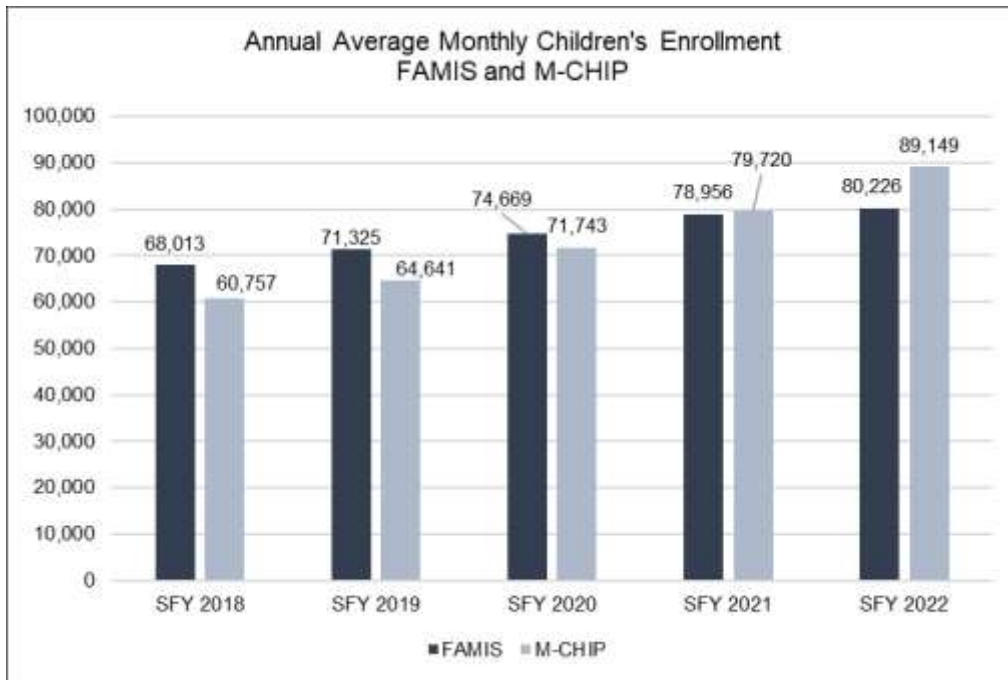
Program	Income	# Enrolled as of 07/01/20	# Enrolled as of 07/01/21	# Enrolled as of 07/01/22	# Change from FY21	% Change from FY21
<b>FAMIS (Age 0-18 years)</b>	>143% to 200% FPL	76,574	80,556	78,850	-1,706	-2.1%
<b>M-CHIP (Age 6-18 years)</b>	>109% to 143% FPL	77,996	83,237	95,450	12,213	14.7%
<b>Total CHIP Children</b>		<b>154,570</b>	<b>163,793</b>	<b>174,300</b>	<b>10,507</b>	<b>6.4%</b>
<b>FAMIS MOMS</b>	>143% to 200% FPL	1,936	1,737	2,097	360	20.7%
<b>FAMIS Prenatal</b>	<200% FPL	--	--	4,211	4,211	--
<b>Total CHIP Pregnant Members</b>		<b>1,936</b>	<b>1,737</b>	<b>6,308</b>	<b>4,571</b>	<b>263.2%</b>
<b>Total CHIP Enrollees</b>		<b>156,506</b>	<b>165,530</b>	<b>180,608</b>	<b>15,078</b>	<b>9.1%</b>

Enrollment in the Title XXI children’s programs grew 6.4% between July 1, 2021, and July 1, 2022. Enrollment declined by 2.1% in FAMIS but grew by 14.7% in M-CHIP. Some of the growth in enrollment was driven by Virginia’s compliance with the maintenance of effort (MOE) related to the federal COVID-19 public health emergency (PHE), which resulted in members remaining in the program for longer as new members continued to enroll.

FAMIS MOMS saw a 20.7% increase in enrollment between July 1, 2021 and July 1, 2022, after declining by 10.3% the previous year. FAMIS MOMS enrollment is 48.4% higher than at the start of SFY 2020 (July 1, 2019), before the onset of the COVID-19 pandemic.

**Enrollment Trends in the FAMIS and M-CHIP Programs**

Virginia’s Title XXI programs have seen significant enrollment growth in recent years, consistent with trends in Medicaid enrollment during the PHE. The chart below shows trends in average monthly children’s enrollment in CHIP-funded programs over the past five years.

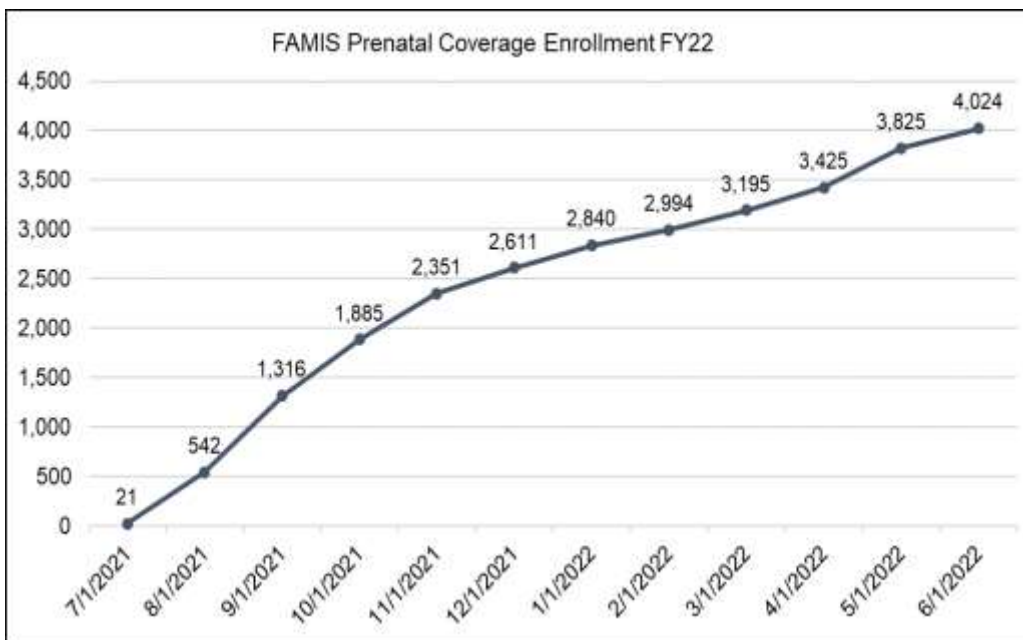
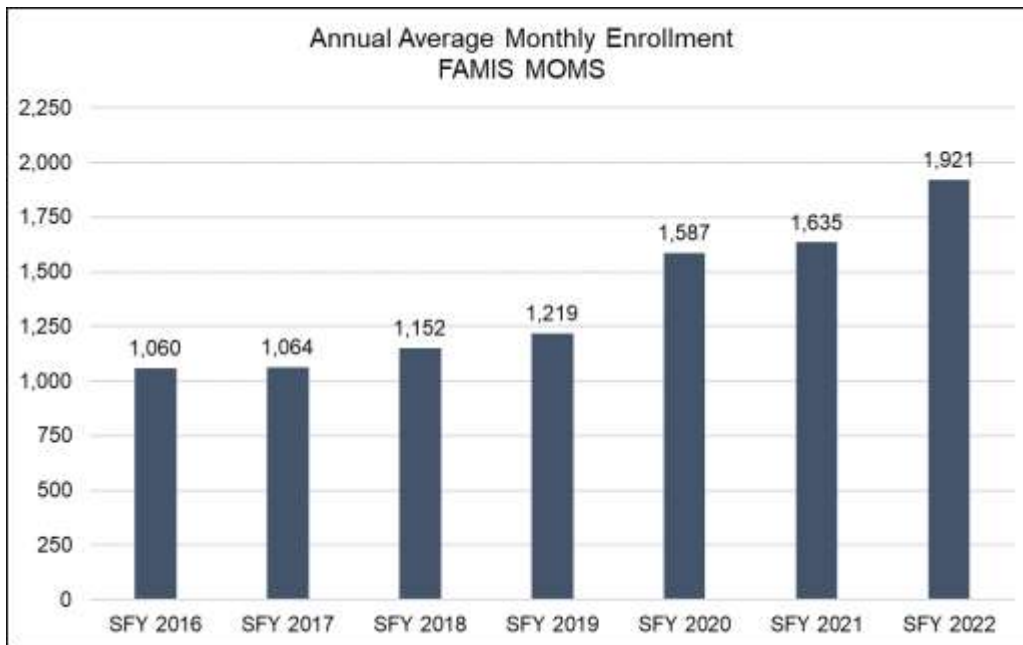


**Source:** Monthly enrollment data from Virginia Medicaid Management Information System

**Enrollment in the FAMIS MOMS and FAMIS Prenatal Programs**

The FAMIS MOMS program increased its previous pace of growth, with average monthly enrollment for SFY2022 increasing by 17.5 percent over SFY2021. Previously a large increase in enrollment occurred between SFY2019 and SFY2020, likely attributable in part to COVID-related economic factors. The chart below shows trends in FAMIS MOMS average monthly enrollment over the past seven years.

Enrollment in the new FAMIS Prenatal Coverage program, which launched in July of 2021, ramped up over the course of SFY2022. (See chart below tracking enrollment by month.) As of June 2022, 4,024 individuals were enrolled in FAMIS Prenatal Coverage.



**Source:** Monthly enrollment data from Virginia Medicaid Management Information System

## Cost of Services

FAMIS, FAMIS MOMS, FAMIS Prenatal Coverage, and M-CHIP are supported by a combination of federal and state funds. Historically, the enhanced federal medical assistance percentage (eFMAP), or federal share, of Title XXI/CHIP funding for Virginia was 65 percent. (Virginia’s Medicaid FMAP has historically been 50 percent.) Effective October 1, 2022, Virginia’s base FMAP for Medicaid and eFMAP for CHIP increased slightly; CHIP eFMAP increased by 0.46 percentage points. Added to this amount, a 4.34 percentage point boost to Virginia’s CHIP matching rate remains in place through the end of the PHE.

In the period covered by this report—July 1, 2021 through June 30, 2022—Virginia’s federal CHIP match rate totaled 69.34 percent. Effective October 1, 2022, this rate increases to 69.80 percent. After the end of the quarter in which the PHE expires, Virginia’s CHIP match rate will step down to 65.46 percent.

The Commonwealth's share of program funding comes from the FAMIS Trust Fund and the state's general fund. In FY22, the FAMIS Trust Fund provided 9.1% of the Commonwealth's share of costs and 2.7% of total costs related to Virginia's CHIP program. The table below shows FY22 actual expenditures for the CHIP program by source.

### Total FY22 CHIP Expenditures by Program/Category

	FAMIS Trust Fund	General Fund	Federal Funds	Total
<b>FAMIS Medical</b>	\$14,065,627	\$48,408,212	\$148,010,260	\$210,484,100
<b>FAMIS MOMS and FAMIS Prenatal</b>		\$18,141,776	\$41,029,052	\$59,170,827
<b>FAMIS Administrative</b>		\$6,215,877	\$13,069,571	\$19,285,448
<b>M-CHIP Medical</b>		\$68,255,552	\$161,747,481	\$230,003,033
<b>Total</b>	<b>\$14,065,627</b>	<b>\$141,021,417</b>	<b>\$363,856,364</b>	<b>\$518,943,408</b>

**Source:** Cardinal Financials

### Summary

The FAMIS Plan Trust Fund provides monies in lieu of general funds to draw down federal funds, covering a portion of the costs incurred by the Commonwealth's CHIP programs. These programs ensure that more than 180,000 low-income children and pregnant women in the Commonwealth receive high quality and cost-effective health care. FAMIS, FAMIS MOMS, FAMIS Prenatal, and M-CHIP are a vital component of Virginia's efforts to promote access to affordable health care for the state's most vulnerable residents.