



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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October 30, 2023

TO: The Honorable Janet Howell
Co-Chair, Senate Finance Committee

The Honorable George Barker
Co-Chair, Senate Finance Committee

The Honorable Barry D. Knight
Chair, House Appropriations Committee

The Honorable L. Louise Lucas
Chair, Senate Education and Health

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

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

SUBJECT: Report on the Estimated Costs of the State/Local Hospitalization Program for FY2023.

This report is submitted in compliance with Section 32.1-345 of the Code of Virginia which states:

C. Each county and city shall provide funds for a share of the estimated total costs as determined by the Director. The share for each county and city shall be calculated by dividing its per capita revenue capacity by the statewide total per capita revenue capacity, as determined by the Commission on Local Government, and by multiplying the resulting ratio by an aggregate local share of twenty-five percent. Each local share shall be adjusted according to local income, as determined by dividing the median adjusted gross income for all state income tax returns in each county and city by the median adjusted gross income for all income tax returns statewide. However, no county or city shall contribute more than twenty-five percent to the total cost for providing required hospitalization and treatment for indigent persons. The Director of Medical Assistance Services shall report each year by December 1 to the Senate Committees on Education and Health and on Finance and Appropriations 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 demand.

Should you have any questions or need additional information, please feel free to contact me at (804)664-2660.

CR/wrf

Enclosure

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

Annual State/Local Hospitalization Program Report FY2023

A Report to the Virginia General Assembly

October 30, 2023

Report Mandate:

Section 32.1-345.C. of the Code of Virginia states the following:

Each county and city shall provide funds for a share of the estimated total costs as determined by the Director. The share for each county and city shall be calculated by dividing its per capita revenue capacity by the statewide total per capita revenue capacity, as determined by the Commission on Local Government, and by multiplying the resulting ratio by an aggregate local share of twenty-five percent. Each local share shall be adjusted according to local income, as determined by dividing the median adjusted gross income for all state income tax returns in each county and city by the median adjusted gross income for all income tax returns statewide. However, no county or city shall contribute more than twenty-five percent to the total cost for providing required hospitalization and treatment for indigent persons. The Director of Medical Assistance Services shall report each year by December 1 to the Senate Committees on Education and Health and on Finance and Appropriations 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 demand.

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.

About DMAS and Medicaid

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.