



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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September 23, 2024

MEMORANDUM

TO: The Honorable Luke E. Torian,
Chair, House Appropriations Committee

The Honorable L. Louise Lucas
Chair, Senate Finance Committee

Michael Maul
Director, Department of Planning and Budget

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

SUBJECT: Report on Prior Fiscal Year Expenditures SFY23

This report is submitted in compliance with Item 308.B.3. of the 2023 Appropriations Act, which states:

The Department of Medical Assistance Services shall track expenditures for the prior fiscal year that ended on June 30, that includes the expenditures associated with changes in services and eligibility made in the Medicaid and FAMIS programs adopted by the General Assembly in the past session(s). Expenditures related to changes in services and eligibility adopted in a General Assembly Session shall be included in the report for five fiscal years beginning from the first year the policy impacted expenditures in the Medicaid and FAMIS programs. The department shall report the expenditures of each funding change separately and show the impact by fiscal year. The report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year.

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

CR/wf
Enclosure

Pc: The Honorable Janet V. Kelly, Secretary of Health and Human Resources

Report on Expenditures Related to Changes in Services and Eligibility Adopted by the General Assembly

September 2024

Report Mandate:

Item 308.B.3 of the 2023 Appropriation Act states: “The Department of Medical Assistance Services shall track expenditures for the prior fiscal year that ended on June 30, that includes the expenditures associated with changes in services and eligibility made in the Medicaid and FAMIS programs adopted by the General Assembly in the past session(s). Expenditures related to changes in services and eligibility adopted in a General Assembly Session shall be included in the report for five fiscal years beginning from the first year the policy impacted expenditures in the Medicaid and FAMIS programs. The department shall report the expenditures of each funding change separately and show the impact by fiscal year. The report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year.”

Report for FY2022 and FY2023

The 2023 General Assembly required the Department of Medical Assistance Services (DMAS) to create a report that includes the expenditures associated with changes in services and eligibility made in the Medicaid and FAMIS programs adopted by the General Assembly (GA).

The table starting on the next page reflects expenditures exclusively and only related to changes in services and eligibility that were adopted by the General Assembly. Prior year expenditures include Fee-For-Service and

Managed Care delivery systems, as applicable. The table excludes any GA-mandated items outside of this scope, including but not limited to changes related to reimbursement rates or methodology. Due to data limitations, the department is unable to determine how much changes in expenditures are explicitly related to the implementation of the GA mandate versus other factors that may impact utilization, such as accessibility of services.

Prior Year Expenditures for GA Mandated Changes in Services and Eligibility

GA Mandate and Description	FY2022 Expenditures	FY2023 Expenditures
2020 Appropriation Act, Item 313.WWWW. Increases income eligibility to 138% of the Federal Poverty Level for the Medicaid Works program.	\$ 457,676	\$ 340,432
2020 Special Session I Amendments to the 2020 Appropriation Act, Item 313.XXX. Eliminates 40 quarter work requirement for Lawful Permanent Residents who otherwise meet all Medicaid eligibility requirements.	34,163,671	64,493,532
2020 Special Session I Amendments to the 2020 Appropriation Act, Item 313.IIIII.1 Adds comprehensive dental benefit for adults, including preventive and restorative services. Excludes cosmetic services and orthodontic services.	79,211,448	107,174,708
2020 Special Session I Amendments to the 2020 Appropriation Act, Item 313.NNNNN. Allows telehealth and virtual and/or distance learning for Group Day, Supported Employment and Benefits Planning services during Governor's declared state of emergency due to COVID-19 pandemic or until Appendix K expires.	-	-
2021 Appropriation Act, Item 312.G. Provides coverage for medically necessary treatment for substance use disorder in an Institution for Mental Diseases for individuals enrolled in FAMIS MOMS.	-	2,772
2021 Appropriation Act, Item 312.H. Allows coverage in FAMIS program for prenatal care for all children regardless of the expectant mother's eligibility status.	47,875,988	73,111,407
2021 Appropriation Act, Item 313.AAAA. Extends coverage for pregnant women between 138% and 205% of the Federal Poverty Level up to one year postpartum.	-	(740,506)
2021 Appropriation Act, Item 313.XXXX. Adds coverage of tobacco cessation services for full coverage adults who are not enrolled pursuant to the Patient Protection and Affordable Care Act.	176	192
2021 Appropriation Act, Item 313.CCCCC. Adds coverage for the current procedural terminology (CPT) codes for Applied Behavioral Analysis that were added in January 2019 or thereafter.	824,511	1,153,042

GA Mandate and Description	FY2022 Expenditures	FY2023 Expenditures
<p>2021 Appropriation Act, Item 313.PPPPP Expands the Preferred Office-Based Opioid Treatment model to include individuals with substance use disorders that are covered in the Addiction and Recovery Treatment Services (ARTS) benefit.</p>		
<p>2021 Appropriation Act, Item 313.QQQQQ Expands the definition of durable medical equipment per 42 CFR 440.70(b)(3) so that the definition is no longer limited to items primarily used in the home but also extends to any setting where normal activities take place.</p>	-	-
<p>2021 Appropriation Act, Item 313.YYYYY Authorizes prescriptions of contraceptives up to a 12-month supply for eligible beneficiaries in the Medicaid and CHIP programs.</p>	-	-
<p>2021 Appropriation Act, Item 313.WWWWW Authorizes coverage of community doula services for Medicaid-enrolled pregnant women.</p>	-	1,400
<p>2021 Appropriation Act, Item 313.DDDDD Allows telehealth and virtual and/or distance learning as a permanent service option and accommodation for individuals on the Community Living, Family and Individual Services and Building Independence waivers.</p>	-	-
<p>2021 Appropriation Act, Item 313.YYY. Programmatic changes to the following existing Medicaid behavioral health services: assertive community treatment, mental health partial hospitalization programs, crisis intervention and crisis stabilization services and adds the following new Medicaid behavioral health services: multi-systemic therapy, family functional therapy, intensive outpatient services, mobile crisis intervention services, 23 hour temporary observation services and residential crisis stabilization unit services.</p>	26,700,802	60,759,121
<p>2022 Appropriation Act, Item 304.NNNN Allows enrollment in a Medicaid managed care plan for individuals who are Medicaid eligible 30 days prior to release from incarceration.</p>	-	-
<p>2022 Appropriation Act, Item 304.PPPP. Authorizes coverage for medically necessary general anesthesia and hospitalization or facility charges of a facility licensed to provide outpatient surgical procedures for dental care provided to a Medicaid enrollee who is determined by a licensed dentist in consultation with the enrollee's treating physician to require general anesthesia and admission to a hospital or outpatient surgery facility to effectively and safely provide dental care to an enrollee ten or younger.</p>	-	173,132

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.