



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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December 1, 2024

MEMORANDUM

TO: The Honorable Glenn Youngkin
Governor of Virginia

The Honorable Don Scott
Speaker, Virginia House of Delegates

The Honorable Scott A. Surovell
Majority Leader, Senate of Virginia

The Honorable Rodney T. Willett
Chair, Joint Commission on Health Care

Members of the Virginia General Assembly

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

SUBJECT: Annual Report on the Status of the Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund – FY2024

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

C. 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 804-664-2660.

CR/wrf
Enclosure

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

Annual Report on the Status of the Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund – FY2024

December 1, 2024

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, language in the appropriation act 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.

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. Children aged 18 and younger qualify for FAMIS if household income is between 143 and 200 percent of the federal poverty level (FPL). Effective January 1, 2024, children enrolled in FAMIS receive 12 months of continuous eligibility,

except in limited circumstances.

CHIP Medicaid Expansion, or M-CHIP

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. They also receive 12 months of continuous eligibility, except in limited circumstances.

FAMIS MOMS

In 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 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 meet FAMIS MOMS and Medicaid Pregnant Women income, state residency, and other eligibility criteria, but previously were ineligible due to immigration status. FAMIS Prenatal Coverage ends at 60 days postpartum.

Title XXI Enrollment

In FY24, approximately 23% 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-funded programs over the past three years.

Historical CHIP Enrollment

Program	Income	# Enrolled as of 07/01/22	# Enrolled as of 07/01/23	# Enrolled as of 07/01/24	# Change from FY23	% Change from FY23
FAMIS (Age 0-18 yrs)	>143% to 200% FPL	78,850	83,330	93,612	10,282	12.3%
M-CHIP (Age 6-18 yrs)	>109% to 143% FPL	95,450	102,046	96,502	-5,544	-5.4%
Total CHIP Children		174,300	185,376	190,114	4,738	2.6%
FAMIS MOMS	>143% to 200% FPL	2,097	3,222	3,966	744	23.1%
FAMIS Prenatal	<200% FPL	4,211	4,770	4,428	-342	-7.2%
Total CHIP Pregnant/Postpartum Members		6,308	7,992	8,394	402	5.0%
Total CHIP Enrollees		180,608	193,368	198,508	5,140	2.7%

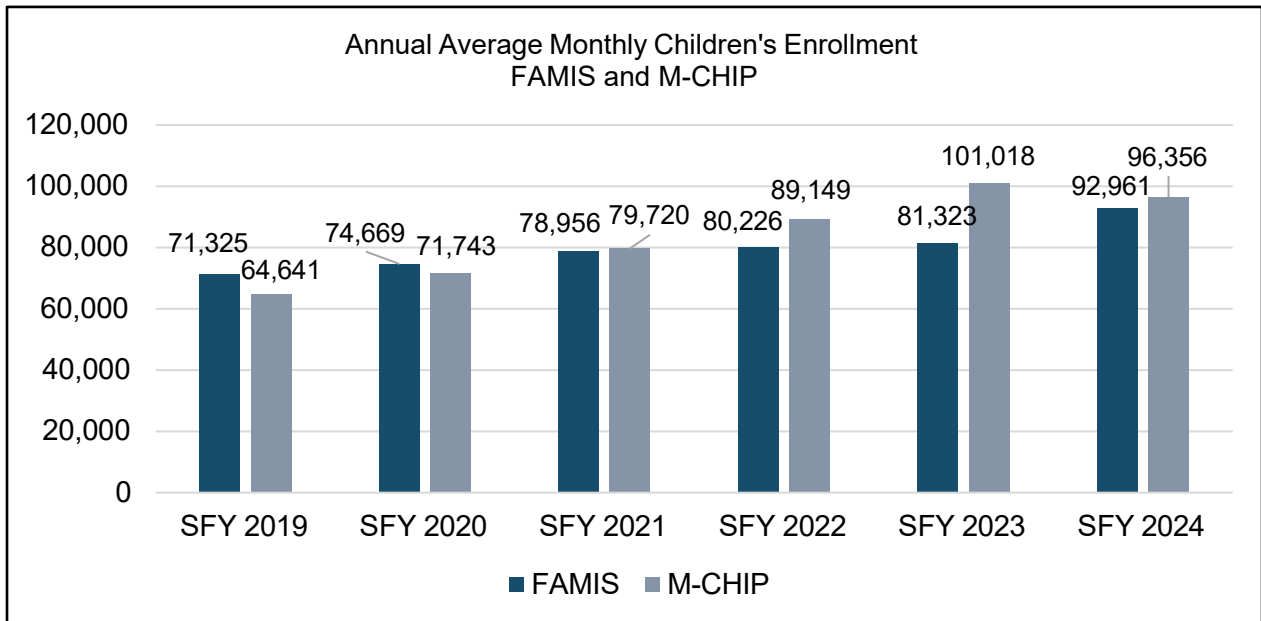
Enrollment in the Title XXI children’s programs grew 2.6% between July 1, 2023, and July 1, 2024. Enrollment grew by 12.3% in FAMIS and declined 5.4% in M-CHIP. Much of the growth in FAMIS occurred because of Virginia resuming annual eligibility redeterminations due to the “unwinding” of Medicaid’s continuous coverage. As families completed their children’s annual renewal for the first time since the COVID-19 pandemic began, many families’ income increases placed their children in the eligibility range for FAMIS rather than Medicaid or M-CHIP.

FAMIS MOMS saw a 23.1% increase in enrollment between July 1, 2023, and July 1, 2024. Beginning in FY23, FAMIS MOMS members remain in the FAMIS MOMS coverage group through 12 months postpartum and are included in the program’s enrollment count for the prenatal and postpartum periods.

FAMIS Prenatal Coverage enrollment declined by 7.2% between July 1, 2023, and July 1, 2024. FAMIS Prenatal Coverage is still limited to 60 days postpartum.

Enrollment Trends in the FAMIS and M-CHIP Programs

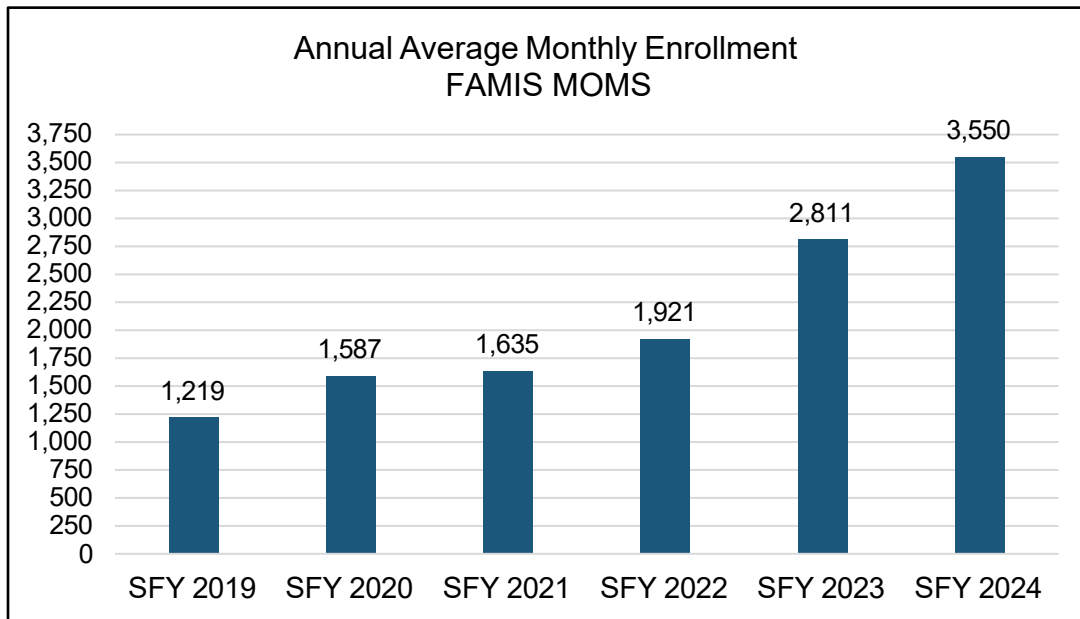
Virginia’s Title XXI programs have seen significant enrollment growth in recent years, consistent with trends in Medicaid enrollment during the PHE. The chart below shows trends in average monthly children’s enrollment in CHIP-funded programs over the past six years.



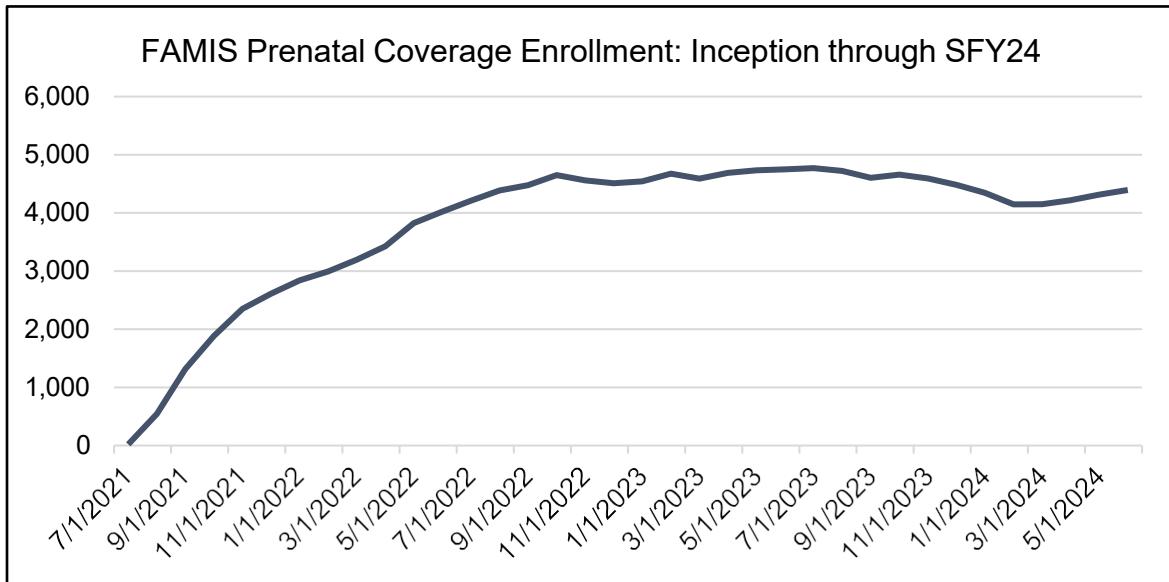
Source: Monthly enrollment data from Virginia Medicaid Management Information System

Enrollment in the FAMIS MOMS and FAMIS Prenatal Coverage Programs

The chart below shows trends in FAMIS MOMS average monthly enrollment over the past 6 years. As explained above, implementation of 12 months postpartum continuous coverage for FAMIS MOMS drove large increases in enrollment in FY23 and FY24.



Enrollment in the FAMIS Prenatal Coverage program, which launched in July of 2021, continued to increase through the first few months of FY23, but remained relatively stable thereafter (between 4,100-4,700 enrollees on average per month).



Source: Monthly enrollment data from Virginia Medicaid Management Information System

Program Funding and Status of the Fund

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 has been 65%. (Virginia’s Medicaid FMAP has historically been 50%.) From the beginning of the pandemic through FFY2023, Virginia’s CHIP eFMAP increased thanks to an increased federal Medicaid matching rate (tied to the federal Medicaid continuous coverage requirement). The eFMAP gradually decreased as Virginia and other states resumed annual Medicaid and CHIP redeterminations (“unwinding”) beginning in April 2023, and returned to a relative normal 65.85% for Title XXI by the end of SFY2024.

The Commonwealth’s share of program funding comes from the FAMIS Trust Fund and the state’s general fund. In FY24, the FAMIS Trust Fund provided 6.6% of the Commonwealth’s share of costs and 2.2% of total costs related to Virginia’s CHIP program. The table below shows FY24 actual expenditures for the CHIP program by source.

Total FY24 CHIP Expenditures by Category

Expenditure Category	FAMIS Trust Fund	General Fund	Federal Funds	Total
FAMIS Medical	\$14,065,627	\$94,420,140	\$219,063,990	\$327,549,757
FAMIS MOMS and FAMIS Prenatal		\$10,512,279	\$20,851,036	\$31,363,315
FAMIS Administrative		\$8,367,017	\$17,803,184	\$26,170,201
M-CHIP Medical		\$85,904,439	\$176,075,250	\$261,979,689
Total	\$14,065,627	\$199,203,875	\$433,793,460	\$647,062,962

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 198,000 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.

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 approximately two 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.