



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

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**January 20, 2026**

### **MEMORANDUM**

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

The Honorable L. Louise Lucas  
Chair, Senate Finance and Appropriations Committee

**FROM:** Jeffrey Lunardi  
Interim Director, Virginia Department of Medical Assistance Services

**SUBJECT:** Monthly Medicaid Expenditure Report (December Data)

This report is submitted in compliance with Item 292.B.1. of the 2025 Appropriations Act, which states:

*The Department of Medical Assistance Services (DMAS) shall submit monthly expenditure reports of the Medicaid program by service that shall compare expenditures to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. In addition, the department shall include information on service level detail, including explanations of budget and expenditure variances. The monthly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees within 20 days after the end of each month.*

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

JL/wrf

Enclosure

Pc: The Honorable Marvin Figueroa, Secretary of Health and Human Resources

**Department of Medical Assistance Services  
Detail Report on Medicaid Expenditures - December FY2026**

Category	Base Medicaid			Medicaid Expansion		
	FY 2026 Official Forecast <sup>1</sup>	FY 2026 Appropriation <sup>1</sup>	Actual Expenditures through December FY 2026	FY 2025 Official Forecast <sup>2</sup>	FY 2025 Appropriation <sup>3</sup>	Expenditures through December FY 2026
<b>General Medical Care: Managed Care</b>	<b>10,178,554,946</b>	<b>9,667,654,694</b>	<b>5,129,140,706</b>	<b>5,284,162,679</b>	<b>5,455,964,347</b>	<b>2,872,054,792</b>
MCO Capitation Payments: Low-Income Adults & Children	3,191,996,155	3,321,496,777	1,628,771,199	3,647,457,247	3,978,315,839	1,859,359,795
MCO Capitation Payments: CCC+ Program	7,310,720,332	6,678,494,314	3,495,876,046	2,037,715,786	1,787,719,079	1,013,906,219
MCO Pharmacy Rebates(Current Year )	-324,161,541	-332,336,397	4,493,461	-401,010,354	-310,070,571	-1,211,222
<b>General Medical Care: Fee-For-Service</b>	<b>1,947,481,276</b>	<b>1,683,402,493</b>	<b>972,376,661</b>	<b>570,305,058</b>	<b>580,799,135</b>	<b>288,794,469</b>
Inpatient Hospital	180,943,367	155,510,684	77,322,340	249,230,534	204,374,622	128,049,359
Outpatient Hospital	40,929,949	39,775,357	20,726,951	46,031,258	52,341,521	25,382,245
Physician/Practitioner Services	43,023,555	41,610,221	22,993,878	37,000,800	33,886,112	17,173,989
Clinic Services	235,980,396	139,550,306	104,248,520	8,908,094	7,585,479	4,357,195
IHC Clinic Regular FMAP	-	60,216,599	113,250	200,742	66,973,213	200,742
Pharmacy (Point of Sale Only)	14,755,522	14,632,772	6,802,974	16,076,428	15,786,190	6,944,356
FFS Pharmacy Rebates(Current Year POS, Hospital and Physician)	-6,764,855	-29,747,407	30,557	-4,870,571	0	1,103,748
Medicare Premiums Part A & B	545,043,361	478,690,918	277,015,989	13,966,985	9,639,128	7,632,878
Medicare Premiums Part D	436,639,475	409,670,013	229,323,436	15,535,580	3,658,063	7,540,216
Dental	306,421,753	301,054,455	152,653,881	175,709,863	173,592,010	84,071,638
Transportation	118,851,160	80,384,650	65,819,342	10,088,628	6,552,813	4,964,528
Indian Health Clinics (100% Fed)	-	-34,532,223	-108,444	-200,742	3,155,806	-200,742
All Other (Hospital, HIP Payments, Medical Appliances)	31,657,593	26,586,147	15,433,990	2,627,459	3,254,178	1,574,315
<b>Behavioral Health &amp; Rehabilitative Services: Fee-For-Service</b>	<b>42,318,153</b>	<b>51,309,093</b>	<b>17,840,858</b>	<b>20,398,957</b>	<b>14,794,582</b>	<b>11,845,165</b>
MH Case Management	1,297,083	1,433,978	678,789	-	-	340,129
MH Residential Services(PRTF primarily, also psych commty res svcs)	13,303,141	16,691,989	4,679,660	-	-	1,316
MH Rehabilitative Services	9,251,106	15,191,770	4,265,846	-	-	11,503,402
Early Intervention & EPSDT-Authorized Services	18,468,824	17,991,357	8,216,563	-	-	308
<b>Long-Term Care Services: Fee-For-Service</b>	<b>2,923,382,264</b>	<b>2,948,760,714</b>	<b>1,432,049,833</b>	<b>120,425,662</b>	<b>105,111,640</b>	<b>57,501,054</b>
Nursing Facility	268,611,970	327,711,439	119,844,946	22,682,078	41,257,885	5,072,835
Private ICF/IIDs	143,644,037	145,160,659	62,810,287	-	-	2,401,583
PACE	163,073,974	153,099,718	79,829,204	-	-	3,589,448
HCBS Waivers: Personal Support	361,501,435	394,561,628	174,529,480	97,743,584	63,853,755	7,921,792
HCBS Waivers: Habilitation	1,781,455,125	1,726,975,893	890,385,706	-	-	33,187,028
HCBS Waivers: Nursing, EM/AT, Adult Day Care	115,006,488	113,680,960	60,268,756	-	-	3,081,340
HCBS Waivers: Case Management & Support	90,089,235	87,570,417	44,381,453	-	-	2,247,029
Supplemental Payments (DSH, IME/GME, Dr, SGO/NSGO Hosp, SGO/NSGO NF )	<b>1,052,002,370</b>	<b>913,606,172</b>	<b>679,733,675</b>	<b>263,252,757</b>	<b>182,456,171</b>	<b>95,181,928</b>
DSH	27,164,850	-	13,464,018	-	-	-
IME/GME	648,213,867	-	426,058,231	-	-	13,921,250
Nursing Facility Supplemental	39,500,858	-	12,741,122	406,815	-	139,783
Physician Supplemental Payments	200,990,222	-	72,068,241	194,353,303	-	47,605,958
Government & Nonprofit Clinics	227,159	-	-	-	-	-
Private Hosp Physician Supplemental	-	-	15,161,245	-	-	18,575,040
Enhanced Supplemental Hospital IGT	62,689,514	-	16,722,642	36,817,651	-	16,373,287
Hospital Supplemental payments	73,215,900	-	123,518,177	31,674,988	-	1,433,389
Private Acute Care Hospital Enhanced Supplemental Payments	2,754,322,300	1,927,420,963	1,120,712,376	2,189,046,095	2,645,953,388	1,070,961,110
<b>Total Forecasted Medicaid Expenditures</b>	<b>18,898,061,310</b>	<b>17,192,154,129</b>	<b>9,351,854,109</b>	<b>8,447,591,208</b>	<b>8,985,081,263</b>	<b>4,396,338,507</b>
Federal Funds	9,494,614,596	8,609,371,002	4,684,628,167	7,580,403,180	8,091,342,285	3,930,952,478
Rate Assessment	1,363,703,504	953,345,416	553,269,619	218,904,609	264,595,339	107,096,110
Coverage Assessment	-	-	-	648,283,418	629,143,639	358,289,919
Virginia Health Care Fund(Includes Tobacco Tax, Pharmacy Rebates, etc.)	440,698,220	440,500,000	100,015,752	-	-	-
General Funds	7,599,044,990	7,186,937,712	4,013,940,571	-	-	-

Unforecasted Medicaid Expenditures			
Mental Health Services CSA	-	79,426,681	59,853,638
Federal Funds	-	48,212,331	30,339,663
State Funds	-	31,214,350	29,513,975
Payments for Graduate Medical Education Residencies (45606)	-	11,700,000	6,800,000
Federal Funds	-	5,850,000	3,436,570
State Funds	-	5,850,000	3,363,430
DBHDS Facility Reimbursements (45607)	-	59,169,094	31,336,085
Federal Funds	-	30,170,321	15,884,341
State Funds	-	28,998,773	15,451,744
Pharmacy Rebate Holding Acct Balance to be Reclassed in the following month	-	-	(210,425,303)

CHIP			
<b>FAMIS Expenditures (446)</b>	<b>529,957,554</b>	<b>477,247,426</b>	<b>272,416,547</b>
Federal Funds	349,775,350	313,258,837	180,322,282
Special Funds	14,065,627	14,065,627	3,516,407
State Funds	166,116,577	149,922,962	88,579,858
<b>M-CHIP Expenditures (466)</b>	<b>316,975,150</b>	<b>335,777,426</b>	<b>167,584,982</b>
Federal Funds	211,393,906	221,273,794	111,883,956
State Funds	105,581,244	114,503,632	55,701,026

Summary of Rebates by Quarter	Base Medicaid				Medicaid Expansion			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MCO Pharmacy Rebates - Current Year								
FFS Pharmacy Rebates - Current Year								
MCO Pharmacy Rebates - Prior Year	118,678,653	160,312,221			145,804,261	222,925,816		
FFS Pharmacy Rebates - Prior Year	2,199,022	(2,626,094)			1,281,768	2,194,071		

<sup>1</sup> Pharmacy rebates received in the first half of the year are from prior year invoices and treated as revenue in the Virginia Health Care Fund.  
<sup>2</sup> This represents the Pharmacy Rebate receipts currently in the holding account, which will be reclassified in the following month into revenue or expenditure refunds in Base Medicaid or Expansion, MCO or FFS.  
<sup>3</sup> Forecast is Official Forecast as of 11/1/2025. Appropriation is per 2025 Appropriation Act, Chapter 275 updated with funding changes.