



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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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 (January 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 - January FY2026**

Category	Base Medicaid			Medicaid Expansion		
	FY 2026	FY 2026	Actual	FY 2025	FY 2025	Actual
	Official Forecast ³	Appropriation ³	Expenditures through January FY 2026	Forecast ³	Appropriation ³	Expenditures through January FY 2026
General Medical Care: Managed Care	10,178,554,946	9,667,654,694	5,906,463,565	5,284,162,679	5,455,964,347	3,228,617,276
MCO Capitation Payments: Low-Income Adults & Children	3,191,996,155	3,321,496,777	1,899,773,341	3,647,457,247	3,978,315,839	2,166,436,325
MCO Capitation Payments: CCC+ Program	7,310,720,332	6,678,494,314	4,086,466,958	2,037,715,786	1,787,719,079	1,184,012,003
MCO Pharmacy Rebates (Current Year) ¹	-324,161,541	-332,336,397	-79,776,734	-401,010,354	-310,070,571	-121,831,052
General Medical Care: Fee-For-Service	1,947,481,276	1,683,402,493	1,114,855,449	570,305,058	580,799,135	331,584,573
Inpatient Hospital	180,943,367	155,510,684	93,673,428	249,230,534	204,374,622	147,796,028
Outpatient Hospital	40,929,949	39,775,357	23,963,822	46,031,258	52,341,521	29,411,733
Physician/Practitioner Services	43,023,555	41,610,221	26,130,475	37,000,800	33,886,112	20,120,853
Clinic Services	235,980,396	139,550,306	115,389,993	8,908,094	7,585,479	5,085,068
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	7,904,079	16,076,428	15,786,190	8,336,677
FFS Pharmacy Rebates (Current Year POS, Hospital and Physician)	-6,764,855	-29,747,407	-1,973,767	-4,870,571	-	-400,714
Medicare Premiums Part A & B	545,043,361	478,690,918	320,472,817	13,966,985	9,639,128	8,386,517
Medicare Premiums Part D	436,639,475	409,670,013	262,449,310	15,535,580	3,658,063	8,533,436
Dental	306,421,753	301,054,455	174,960,888	175,709,863	173,592,010	96,886,816
Transportation	118,851,160	80,384,650	73,812,678	10,088,628	6,562,813	5,813,951
Indian Health Clinics (100% Fed)	-	-34,532,223	-108,444	-200,742	3,155,806	-200,742
All Other (Hospice, HIP Payments, Medical Appliances)	31,657,593	26,586,147	18,066,911	2,627,459	3,254,178	1,814,209
Behavioral Health & Rehabilitative Services: Fee-For-Service	42,318,153	51,309,093	19,984,595	20,398,957	14,794,582	13,436,904
MH Case Management	1,297,083	1,433,978	774,657	-	-	399,633
MH Residential Services (PRFE primarily, also psych commty res svcs)	13,303,141	16,691,989	5,429,437	-	-	1,316
MH Rehabilitative Services	9,251,106	15,191,770	4,908,730	-	-	13,305,647
Early Intervention & EPSDT-Authorized Services	18,466,824	17,991,357	8,871,772	-	-	308
Long-Term Care Services: Fee-For-Service	2,923,382,264	2,948,760,714	1,695,452,267	120,425,662	105,111,640	68,290,572
Nursing Facility	268,611,970	327,711,439	139,081,966	22,682,078	41,257,885	5,927,063
Private ICF/IIDs	143,644,037	145,160,659	73,131,530	-	-	2,758,579
PACE	163,073,974	153,099,718	92,715,289	-	-	4,211,180
HCBS Waivers: Personal Support	361,501,435	394,561,628	214,607,040	97,743,584	63,853,755	9,787,276
HCBS Waivers: Habilitation	1,781,455,125	1,726,975,893	1,052,623,005	-	-	39,467,662
HCBS Waivers: Nursing, EM/AT, Adult Day Care	115,006,488	113,680,960	71,014,345	-	-	3,495,927
HCBS Waivers: Case Management & Support	90,089,235	87,570,417	52,279,092	-	-	2,642,885
Supplemental Payments (DSH, IME/GME, Dr., SGO/NSGO Hosp, SGO/NSGO NF)	1,052,002,370	913,606,172	666,794,768	263,252,757	182,458,171	93,538,853
DSH	27,164,850	-	15,424,021	-	-	-
IME/GME	648,213,867	-	426,289,505	-	-	13,921,250
Nursing Facility Supplemental	39,500,858	-	10,443,181	406,815	-	19,783
Physician Supplemental Payments	200,990,222	-	71,908,720	194,353,303	-	47,605,806
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	-	111,154,694	31,674,988	-	(3,076,312)
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
Total Forecasted Medicaid Expenditures	18,898,061,310	17,192,154,129	10,524,263,020	8,447,591,208	8,985,081,263	4,806,429,287
Federal Funds	9,494,614,596	8,609,371,002	5,262,172,864	7,580,403,180	8,091,342,285	4,299,458,803
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	399,874,375
Virginia Health Care Fund (Includes Tobacco Tax, Pharmacy Rebates, etc.)	440,698,220	440,500,000	200,015,752	-	-	-
General Funds	7,599,044,990	7,188,937,712	4,508,804,785	-	-	-

Unforecasted Medicaid Expenditures			
Mental Health Services CSA	-	79,426,681	70,662,302
Federal Funds	-	48,212,331	35,786,149
State Funds	-	31,214,350	34,876,153
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	36,108,580
Federal Funds	-	30,170,321	18,289,202
State Funds	-	28,998,773	17,819,378
Pharmacy Rebate Holding Acct Balance to be Reclassed in the following month	-	-	(99,093,127)

CHIP			
FAMIS Expenditures (446)	529,957,554	477,247,426	320,078,457
Federal Funds	349,775,350	313,258,837	211,485,713
Special Funds	14,065,627	14,065,627	7,032,814
State Funds	166,116,577	149,922,962	101,559,930
M-CHIP Expenditures (466)	316,975,150	335,777,426	194,548,058
Federal Funds	211,393,906	221,273,794	129,532,433
State Funds	105,581,244	114,503,632	65,015,625

Summary of Rebates by Quarter	Base Medicaid				Medicaid Expansion			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MCO Pharmacy Rebates - Current Year	26,015	75,026	84,270,194	-	30,765	63,697	120,619,829	-
FFS Pharmacy Rebates - Current Year	-	-	2,004,314	-	-	-	1,504,462	-
MCO Pharmacy Rebates - Prior Year	118,678,653	160,312,221	1,246,946	-	145,804,261	222,925,816	1,415,903	-
FFS Pharmacy Rebates - Prior Year	2,199,022	(2,626,094)	(241,007)	-	1,281,768	2,194,071	(142,975)	-

¹ 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.

² 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.

³ Forecast is Official Forecast as of 11/11/2025. Appropriation is per 2025 Appropriation Act, Chapter 275 updated with funding changes.