



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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July 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: Steve Ford
Director, Virginia Department of Medical Assistance Services

SUBJECT: Detail Report on Medicaid Expenditures – June FY26

This report is submitted in compliance with Item 295.C.1. of the 2026 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.

SF/wrf

Enclosure

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

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

Category	Base Medicaid			Medicaid Expansion		
	FY 2026 Official Forecast ¹	FY 2026 Appropriation ¹	Actual Expenditures through June FY 2026	FY 2026 Official Forecast ²	FY 2026 Appropriation ¹	Actual Expenditures through June FY 2026
General Medical Care: Managed Care	10,008,647,396	9,959,131,077	9,929,205,098	5,269,070,230	5,280,339,163	5,298,822,108
MCO Capitation Payments: Low-Income Adults & Children	3,191,996,155	3,180,108,055	3,195,420,222	3,647,457,247	3,658,726,180	3,673,059,547
MCO Capitation Payments: CCC+ Program	7,140,812,782	7,103,184,563	7,062,397,957	2,022,623,337	2,022,623,337	2,030,723,213
MCO Pharmacy Rebates (Current Year)	-324,161,541	-324,161,541	-328,813,081	-401,010,354	-401,010,354	-404,960,652
General Medical Care: Fee-For-Service	1,947,481,276	1,947,481,276	1,854,362,009	570,305,058	570,305,058	544,248,086
Inpatient Hospital	180,943,367	180,943,367	166,099,939	249,230,534	249,230,534	246,726,092
Outpatient Hospital	40,929,949	40,929,949	39,818,393	46,031,258	46,031,258	49,469,176
Physician/Practitioner Services	43,023,555	43,023,555	42,620,765	37,000,800	37,000,800	33,572,607
Clinic Services	235,980,396	235,980,396	195,150,330	8,908,094	8,908,094	8,337,581
IHC Clinic Regular FMAP	-	-	113,250	200,742	200,742	200,742
Pharmacy (Point of Sale Only)	14,755,522	14,755,522	12,847,527	16,076,428	16,076,428	13,855,828
FFS Pharmacy Rebates (Current Year POS, Hospital and Physician)	-6,764,855	-6,764,855	-6,950,604	-4,870,571	-4,870,571	-3,771,778
Medicare Premiums Part A & B	545,043,361	545,043,361	535,148,923	13,966,985	13,966,985	11,785,455
Medicare Premiums Part D	436,639,475	436,639,475	434,897,288	15,535,580	15,535,580	12,871,259
Dental	306,421,753	306,421,753	285,276,131	175,709,863	175,709,863	159,429,888
Transportation	118,851,160	118,851,160	117,479,506	10,088,628	10,088,628	8,963,274
Indian Health Clinics (100% Fed)	-	0	-108,444	-200,742	-200,742	-200,742
All Other (Hospice, HIP Payments, Medical Appliances)	31,657,593	31,657,593	31,969,003	2,627,459	2,627,459	3,008,705
Behavioral Health & Rehabilitative Services: Fee-For-Service	42,318,153	42,318,153	34,791,123	20,398,957	20,398,957	22,403,352
MH Case Management	1,297,083	1,297,083	1,332,601	-	-	657,852
MH Residential Services (PRTF primarily, also psych commty res svcs)	13,303,141	13,303,141	8,495,218	-	-	1,316
MH Rehabilitative Services	9,251,106	9,251,106	8,344,439	-	-	21,741,504
Early Intervention & EPSDT-Authorized Services	18,468,824	18,468,824	16,618,865	-	-	2,680
Long-Term Care Services: Fee-For-Service	3,093,289,814	3,093,289,814	3,021,596,653	135,518,112	135,518,112	131,249,975
Nursing Facility	438,519,520	438,519,520	402,974,495	37,774,528	37,774,528	26,301,732
Private ICF/IIDs	143,644,037	143,644,037	125,433,752	-	-	4,620,315
PACE	163,073,974	163,073,974	156,675,949	-	-	7,256,105
HCBS Waivers: Personal Support	361,501,435	361,501,435	353,968,830	97,743,584	97,743,584	15,807,494
HCBS Waivers: Habilitation	1,781,455,125	1,781,455,125	1,771,756,987	-	-	66,999,050
HCBS Waivers: Nursing, EM/AT, Adult Day Care	115,006,488	115,006,488	121,289,286	-	-	5,677,649
HCBS Waivers: Case Management & Support	90,089,235	90,089,235	89,497,353	-	-	4,587,630
Supplemental Payments	1,052,002,370	1,076,248,966	943,345,768	263,252,757	295,763,770	185,075,925
DSH	27,164,850	27,164,850	17,294,130	-	-	-
IME/GME	648,213,867	648,213,867	546,116,301	-	-	21,876,250
Nursing Facility Supplemental	39,500,858	39,500,858	20,659,608	406,815	406,815	171,053
Physician Supplemental Payments	200,990,222	200,990,222	155,601,273	198,563,595	198,563,595	104,331,664
Government & Nonprofit Clinics	227,159	227,159	-	-	-	-
Private Hosp Physician Supplemental	-	24,246,596	25,894,389	-	32,511,013	32,346,192
Hospital Supplemental Payments	135,905,414	135,905,414	177,780,065	64,282,347	64,282,347	26,350,769
Private Acute Care Hospital Enhanced Supplemental Payments	2,754,322,300	3,572,491,024	3,239,832,947	2,189,046,095	2,874,978,958	3,130,846,478
Total Forecasted Medicaid Expenditures	18,898,061,310	19,690,960,311	19,023,133,598	8,447,591,209	9,177,304,018	9,312,645,925
Federal Funds	9,494,614,596	9,906,868,065	9,494,076,835	7,580,403,180	8,193,595,977	8,339,474,010
Rate Assessment	1,363,703,504	1,755,271,270	1,604,565,333	218,904,609	313,084,647	313,084,645
Coverage Assessment	-	-	-	648,283,418	667,368,069	656,852,652
Virginia Health Care Fund (includes Tobacco Tax, Pharmacy Rebates, etc.)	440,698,220	435,930,462	435,930,462	-	-	-
Private Health System Physician Supplemental Payment	-	12,825,600	12,846,206	-	3,255,325	3,234,619
State Funds	7,599,044,990	7,580,064,915	7,475,714,762	-	-	-

Unforecasted Medicaid Expenditures		
Mental Health Services CSA	-	108,720,460
Federal Funds	-	60,478,151
State Funds	-	59,185,940
Payments for Graduate Medical Education Residencies (45606)	11,700,000	9,125,000
Federal Funds	5,850,000	4,608,137
State Funds	5,850,000	4,516,863
DBHDS Facility Reimbursements (45607)	59,343,994	71,897,987
Federal Funds	30,170,321	36,323,489
State Funds	29,173,673	35,574,498
Pharmacy Rebate Holding Acct Balance to be Reclassed in the following month³	-	456,246

CHIP		
FAMIS Expenditures (446)	529,957,554	543,457,554
Federal Funds	349,775,350	355,775,350
Special Funds	14,065,627	14,065,627
State Funds	166,116,577	173,616,577
M-CHIP Expenditures (466)	316,975,150	337,975,150
Federal Funds	211,393,906	224,393,906
State Funds	105,581,244	113,581,244

Summary of Rebates by Quarter	Base Medicaid			Medicaid Expansion		
	Q1	Q2	Q3	Q4	Q1	Q3
MCO Pharmacy Rebates - Current Year	26,015	75,026	142,743,956	197,984,329	30,765	63,697
FFS Pharmacy Rebates - Current Year			3,025,653	4,033,679		2,247,792
MCO Pharmacy Rebates - Prior Year	118,678,653	160,312,221	6,146,131	21,448,805	145,804,261	222,925,816
FFS Pharmacy Rebates - Prior Year	2,199,022	(2,626,094)	(16,029,336)	(9,108,993)	1,281,768	(47,983)

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 11/1/2025. Appropriation is per 2026 Appropriation Act updated with funding changes.