



MEDICAID EXPENDITURE UPDATE

Presentation to:

External Finance Review Council

July 29, 2020

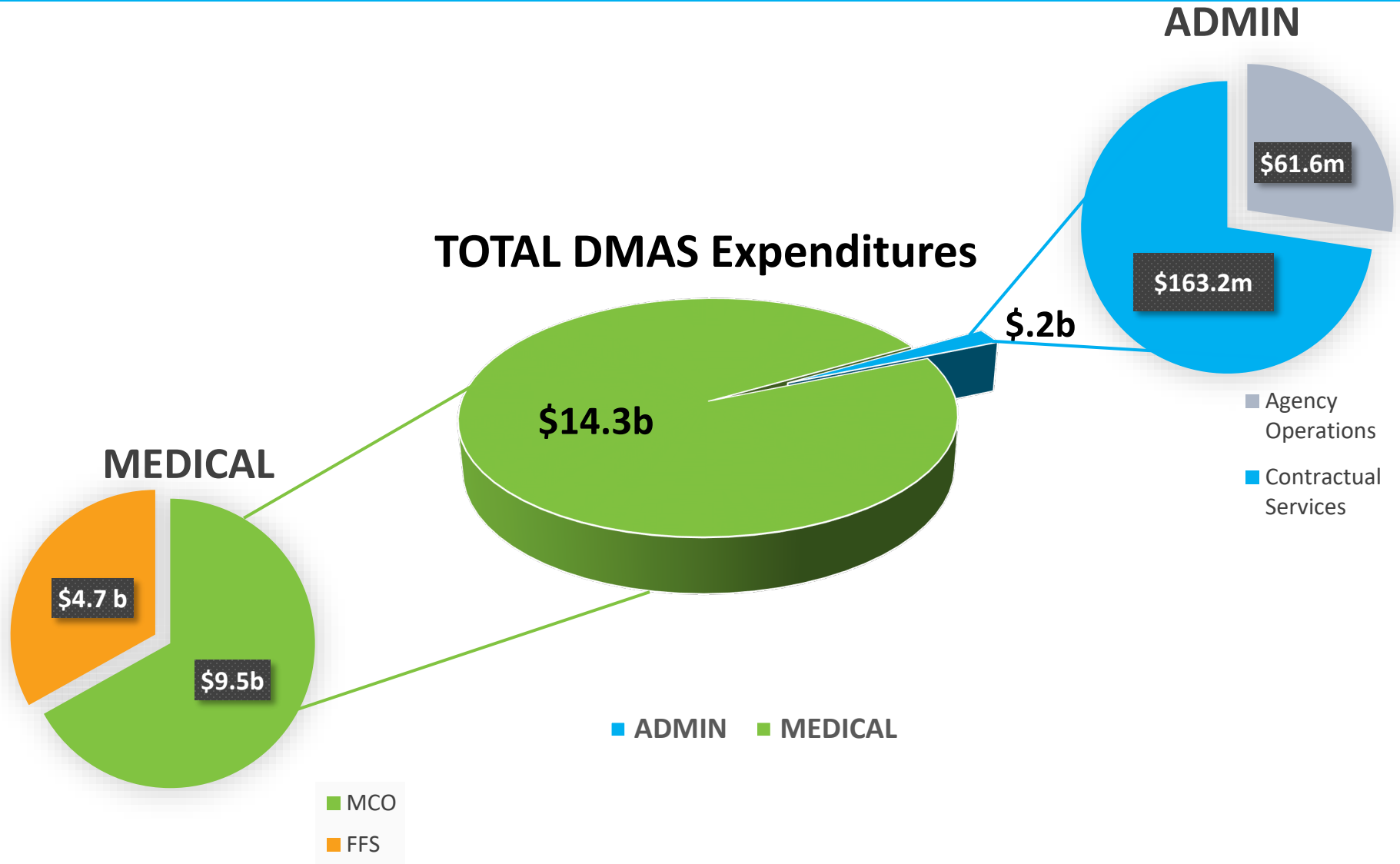


Topics

- ❑ FY20 Year End Summary
- ❑ FY20 Forecast vs. Actuals
- ❑ FY20 COVID-19 Funding, Enrollment, and Expenditures
- ❑ FY20 Medicaid Expenditure Review
- ❑ 20GA Medicaid Funding Summary

DMAS State Fiscal Year End Summary

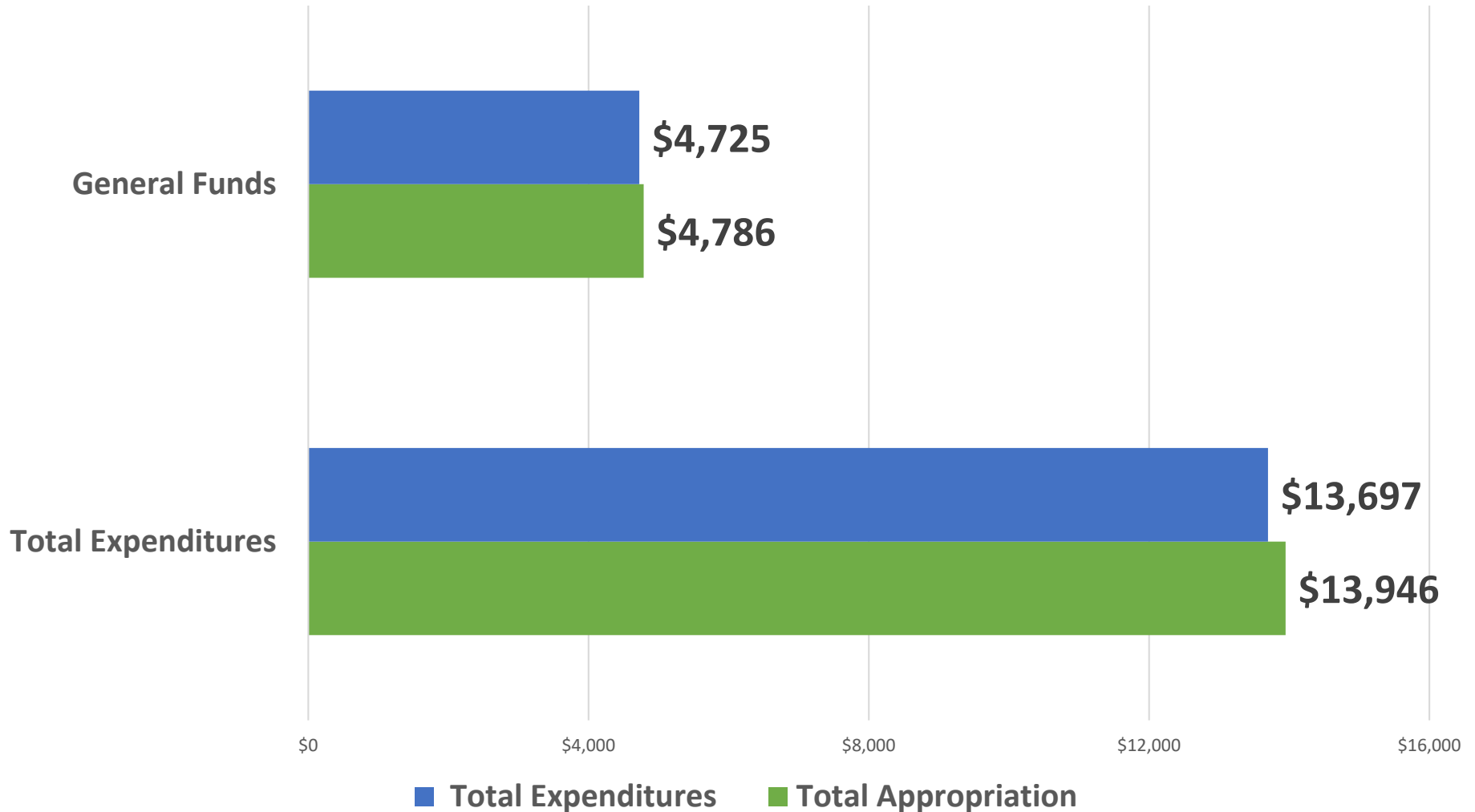
All Programs - \$14.5 billion



SFY2020 Year End Summary

Medicaid Appropriation and Expenditures

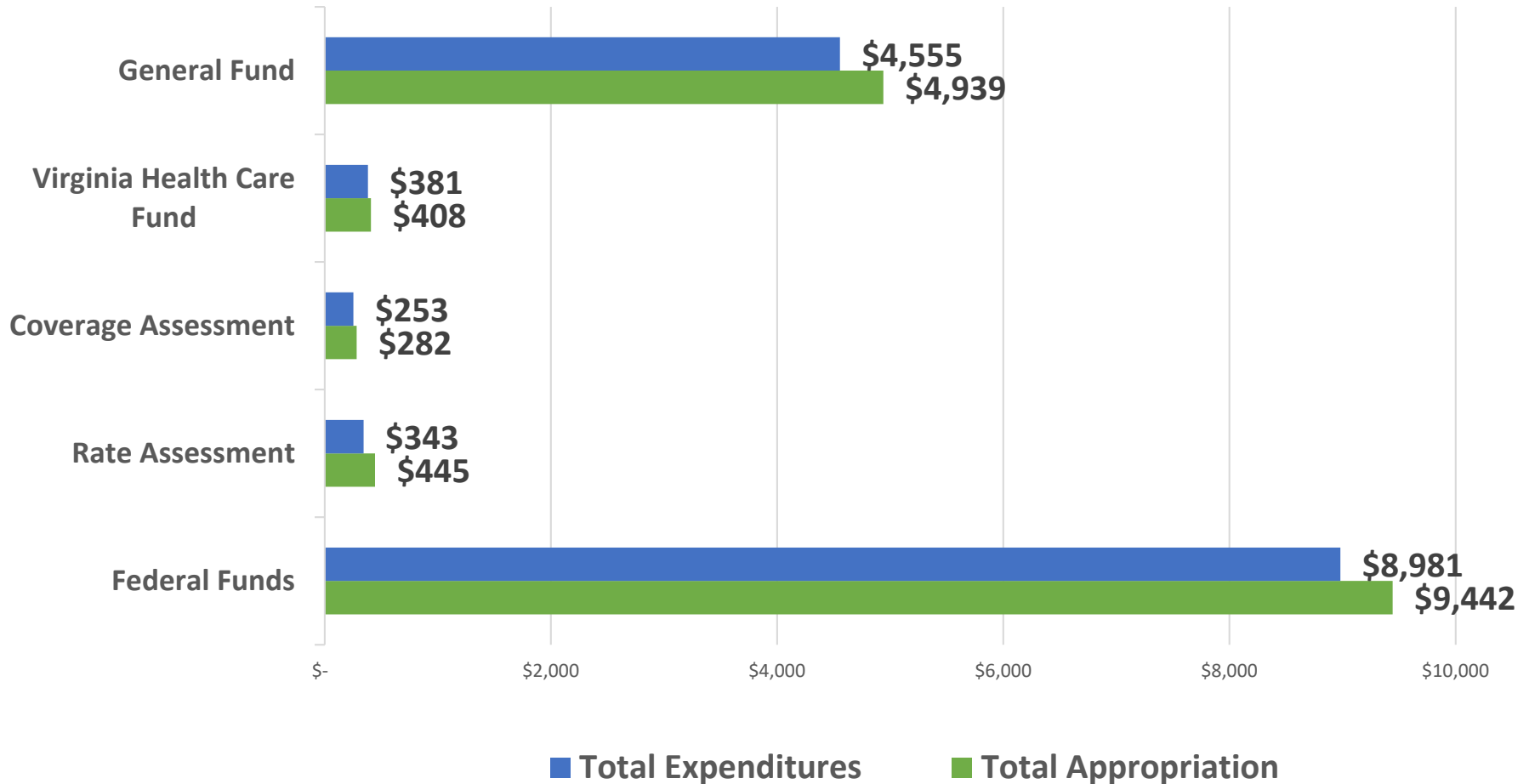
In millions



SFY2020 Year End Summary

Medicaid Expenditures By Fund

In millions



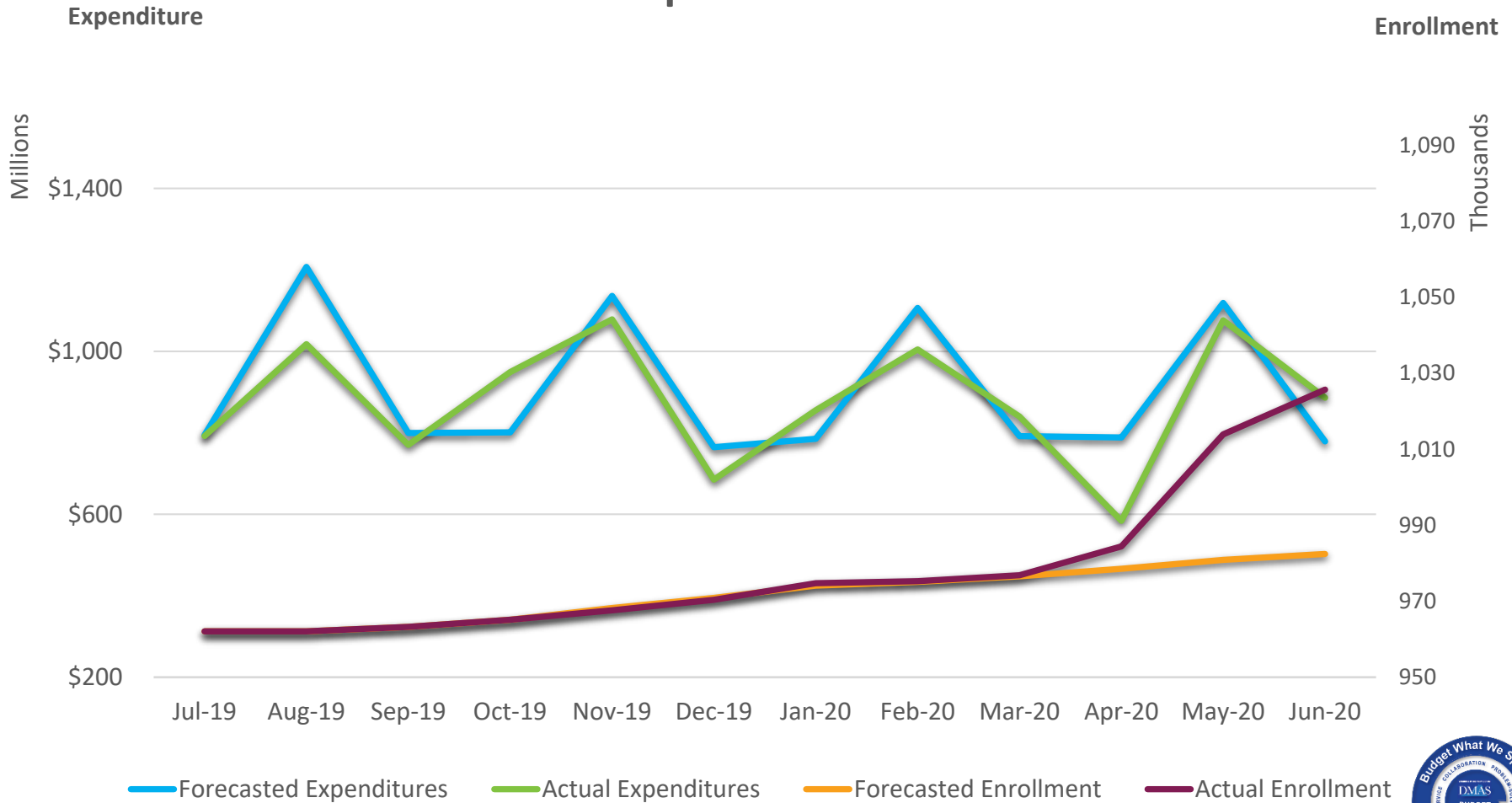
SFY2020 Year End Summary

DMAS Administrative Expenditures

SFY20 ADMINISTRATIVE APPROPRIATION & EXPENDITURES			
	GF Budget	GF Spent	Remaining GF Balance
Agency Operations	\$ 1,936,906	\$ 2,116,010	\$ (179,104)
Contractual Services	\$ 27,191,928	\$ 24,027,773	\$ 3,164,155
Information Technology	\$ 15,157,867	\$ 14,204,044	\$ 953,823
Professional Development	\$ 431,394	\$ 490,282	\$ (58,888)
Salaries & Benefits	\$ 21,376,717	\$ 21,223,871	\$ 152,846
TOTAL	\$ 66,094,812	\$ 62,061,980	\$ 4,032,832
GF Pledge	\$ (3,500,000)		\$ (3,500,000)
TOTAL APPROPRIATION	\$ 62,594,812	\$ 62,061,980	\$ 532,832

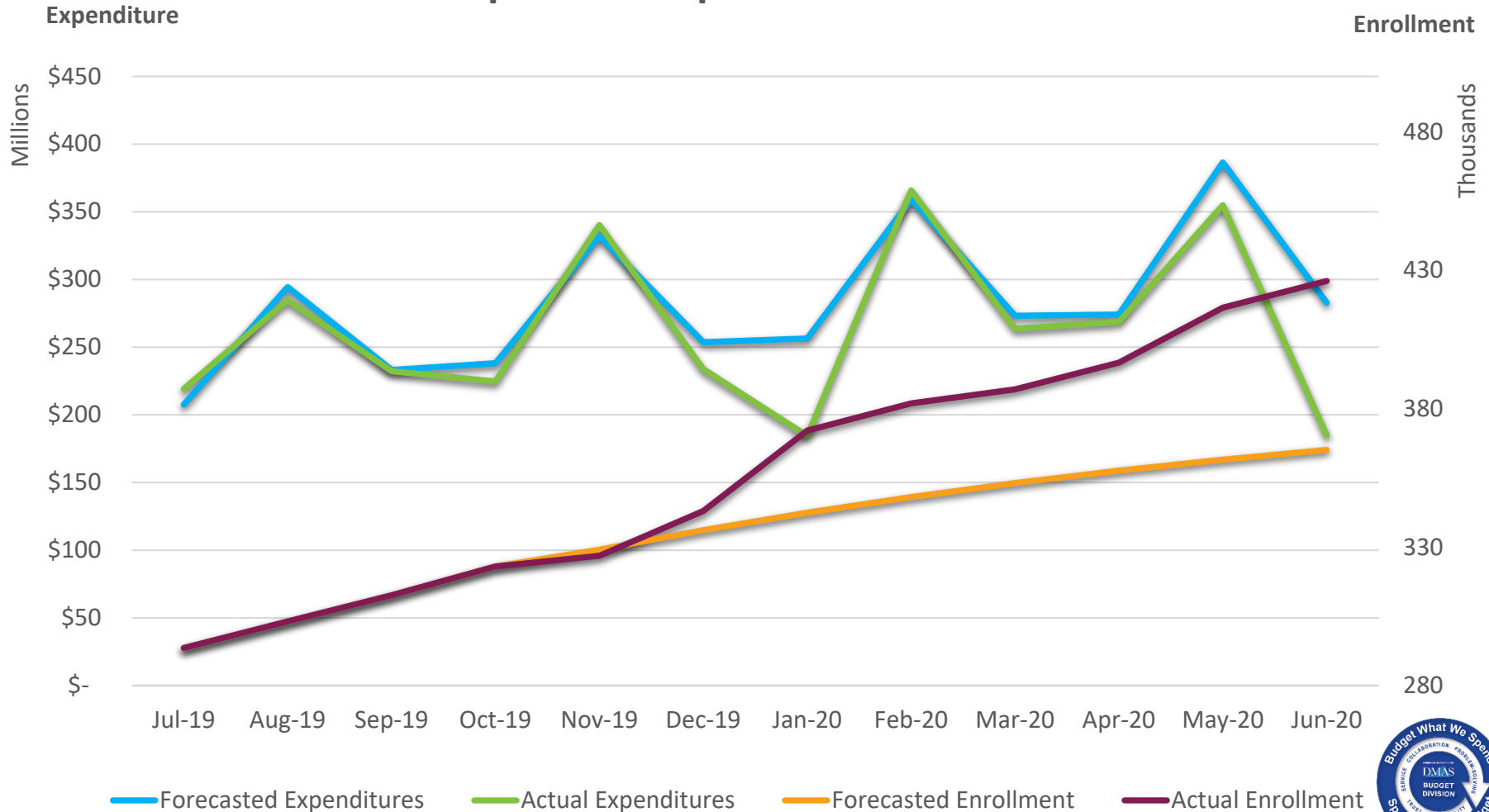
DMAS Forecast vs. Actuals – State Fiscal Year 2020

Base Medicaid Expenditures and Enrollment



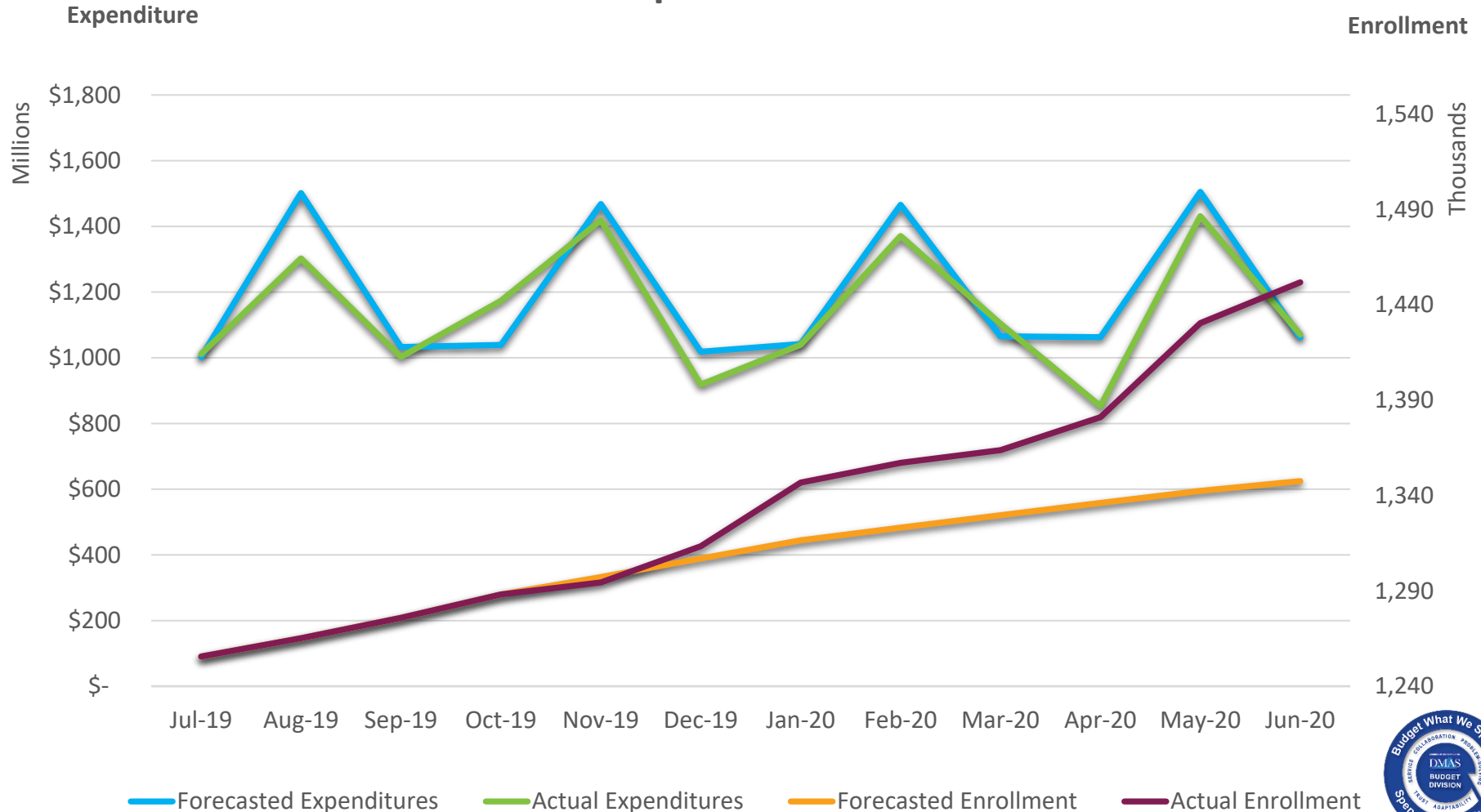
DMAS Forecast vs. Actuals – State Fiscal Year 2020

Medicaid Expansion Expenditures and Enrollment



DMAS Forecast vs. Actuals – State Fiscal Year 2020

Total Medicaid Expenditures and Enrollment



DMAS EFMAP-COVID19

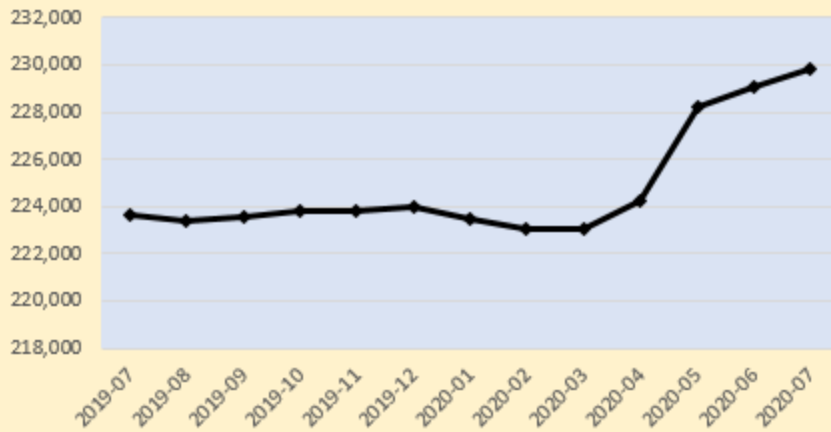
FY2020 TOTAL BY PROGRAM and FUND						
	General Funds	VA Health	Coverage Rate	Provider Rate	Federal	
	01000	Care Fund	Assessment	Assessment	Funds	TOTAL
		09490	09780	09790	10000	
MEDICAID	(310,543,161)	0	0	(29,079,337)	364,695,788	25,073,289
CHIP	(8,381,122)	0	0	0	10,274,436	1,893,314
TOTAL	(\$318,924,283)	\$0	\$0	(\$29,079,337)	\$374,970,223	\$26,966,603

FY2021 TOTAL BY PROGRAM and FUND						
	General Funds	VA Health	Coverage Rate	Provider Rate	Federal	
	01000	Care Fund	Assessment	Assessment	Funds	TOTAL
		09490	09780	09790	10000	
MEDICAID	(548,513,349)	(11,284,607)	13,968,682	(54,374,219)	956,919,296	356,715,803
CHIP	(18,277,445)	0	0	0	24,597,492	6,320,048
TOTAL	(\$566,790,794)	(\$11,284,607)	\$13,968,682	(\$54,374,219)	\$981,516,788	\$363,035,850

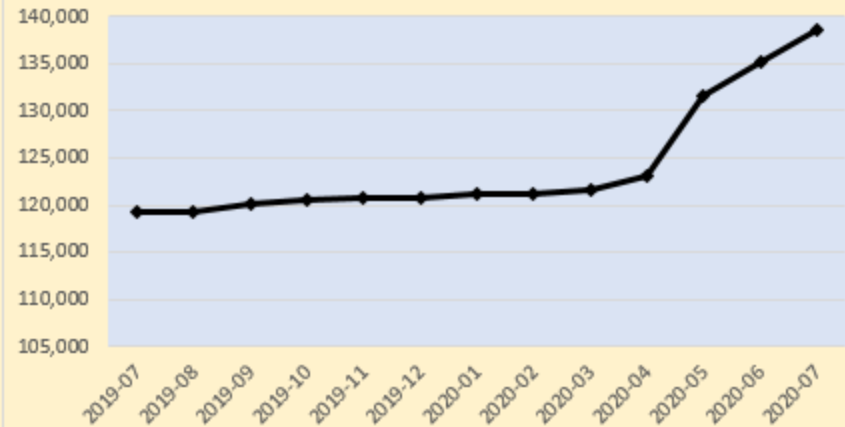
FY2022 TOTAL BY PROGRAM and FUND						
	General Funds	VA Health	Coverage Rate	Provider Rate	Federal	
	01000	Care Fund	Assessment	Assessment	Funds	TOTAL
		09490	09780	09790	10000	
MEDICAID	(686,853,280)	(33,853,821)	0	(57,092,930)	777,800,030	0
CHIP	(21,352,099)	0	0	0	21,352,099	0
TOTAL	(\$708,205,378)	(\$33,853,821)	\$0	(\$57,092,930)	\$799,152,128	\$0

DMAS Medical Enrollent-COVID19

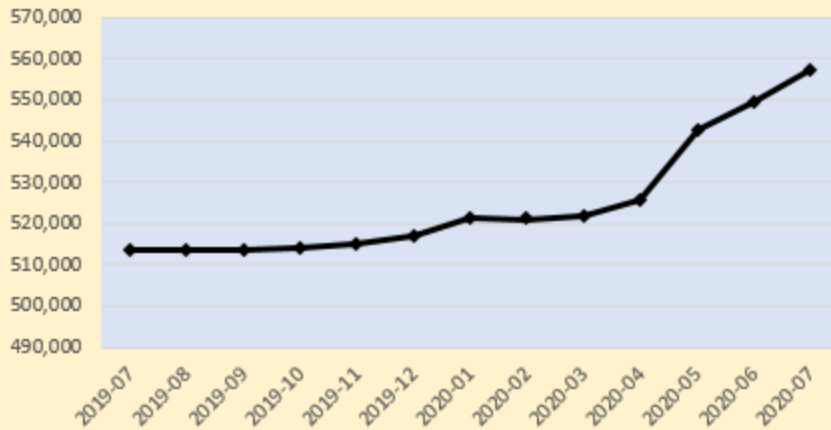
Aged and Disabled



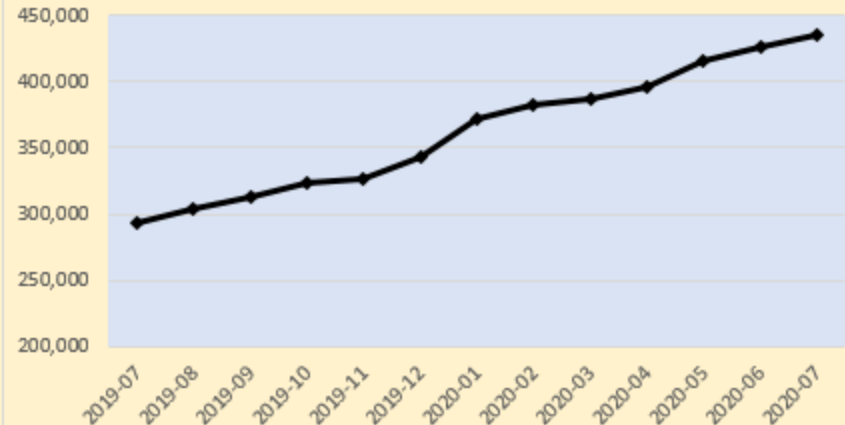
Adults - Base



Base Children

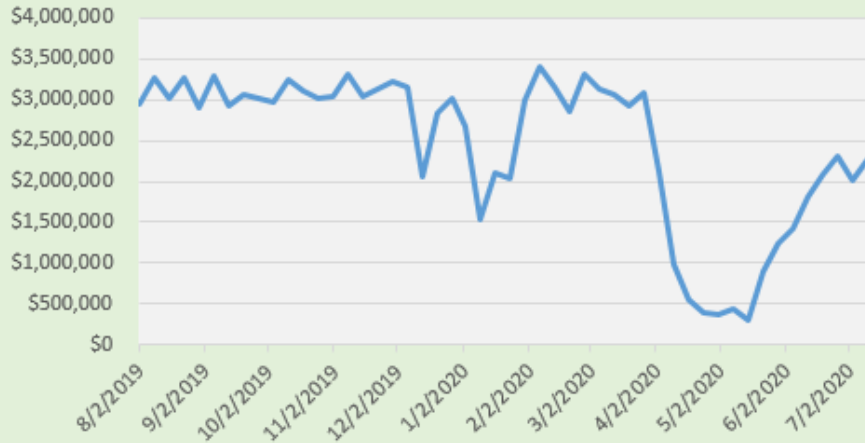


Expansion Adults

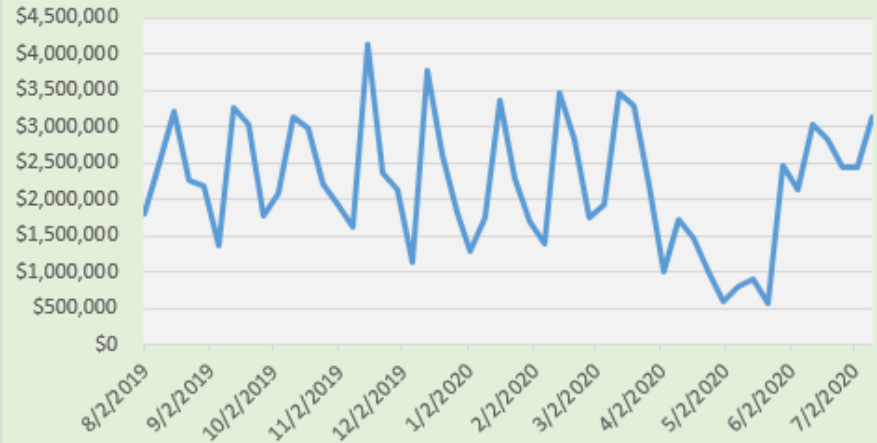


DMAS Medical Expenditures-COVID19

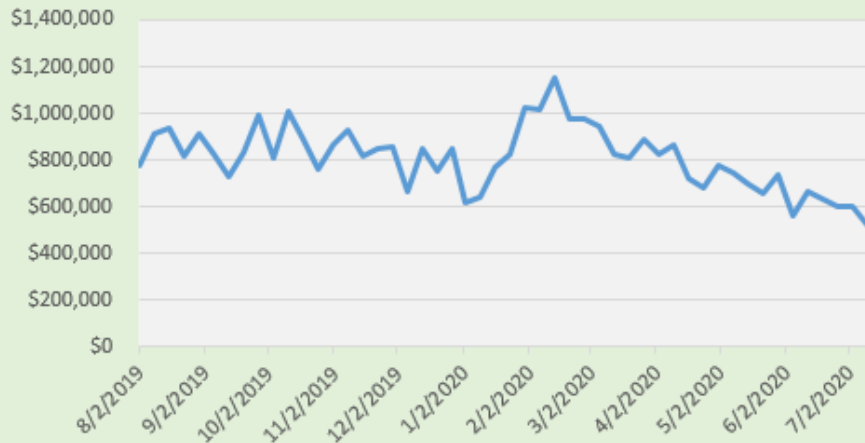
Base Dental



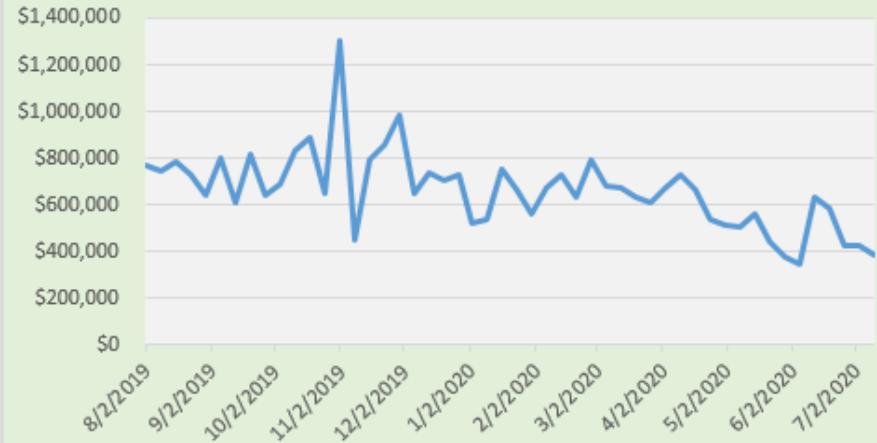
Day Support (DD Waivers)



Physician

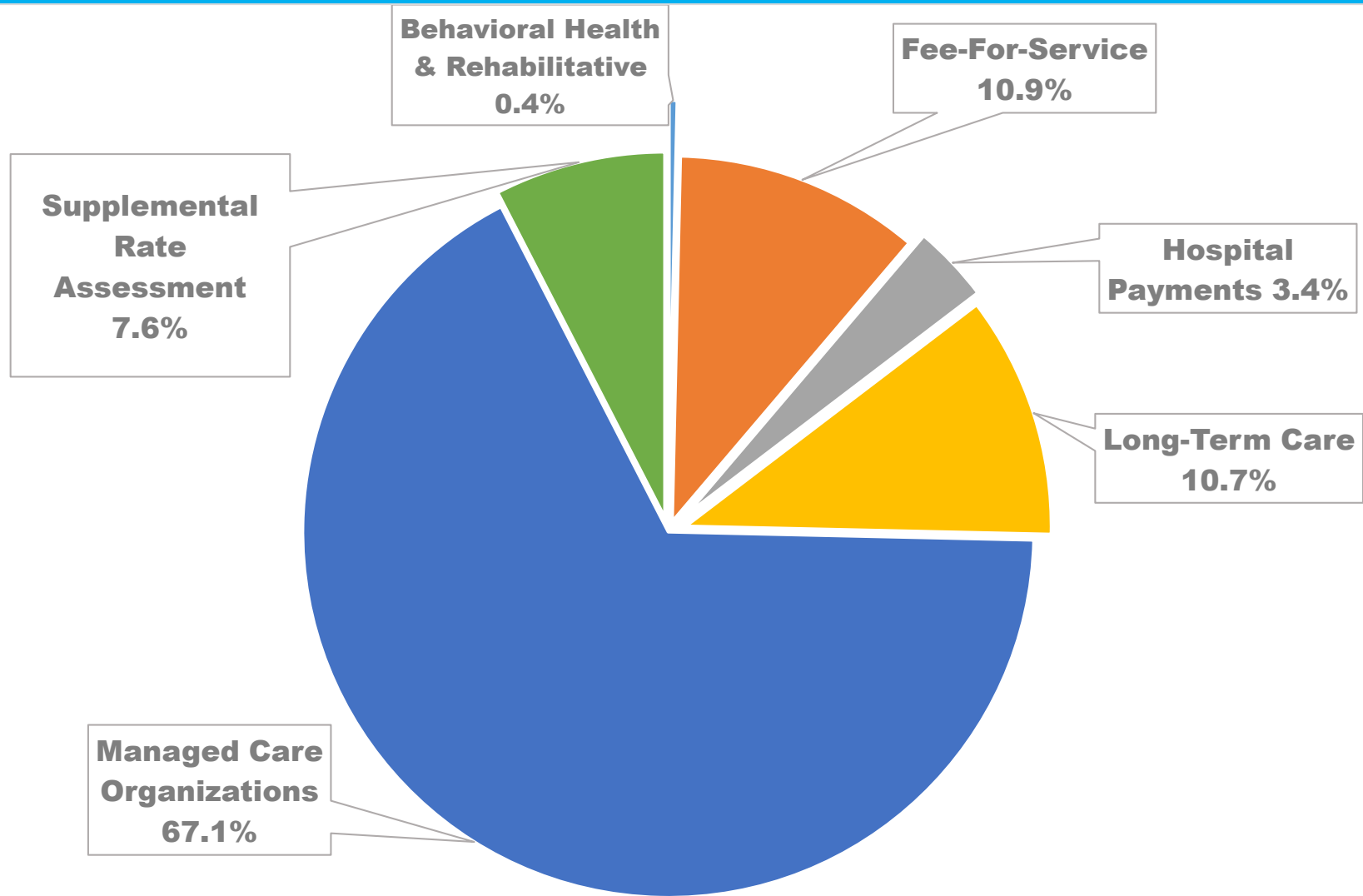


Outpatient Hospital



FY20 Medicaid Expenditure Review

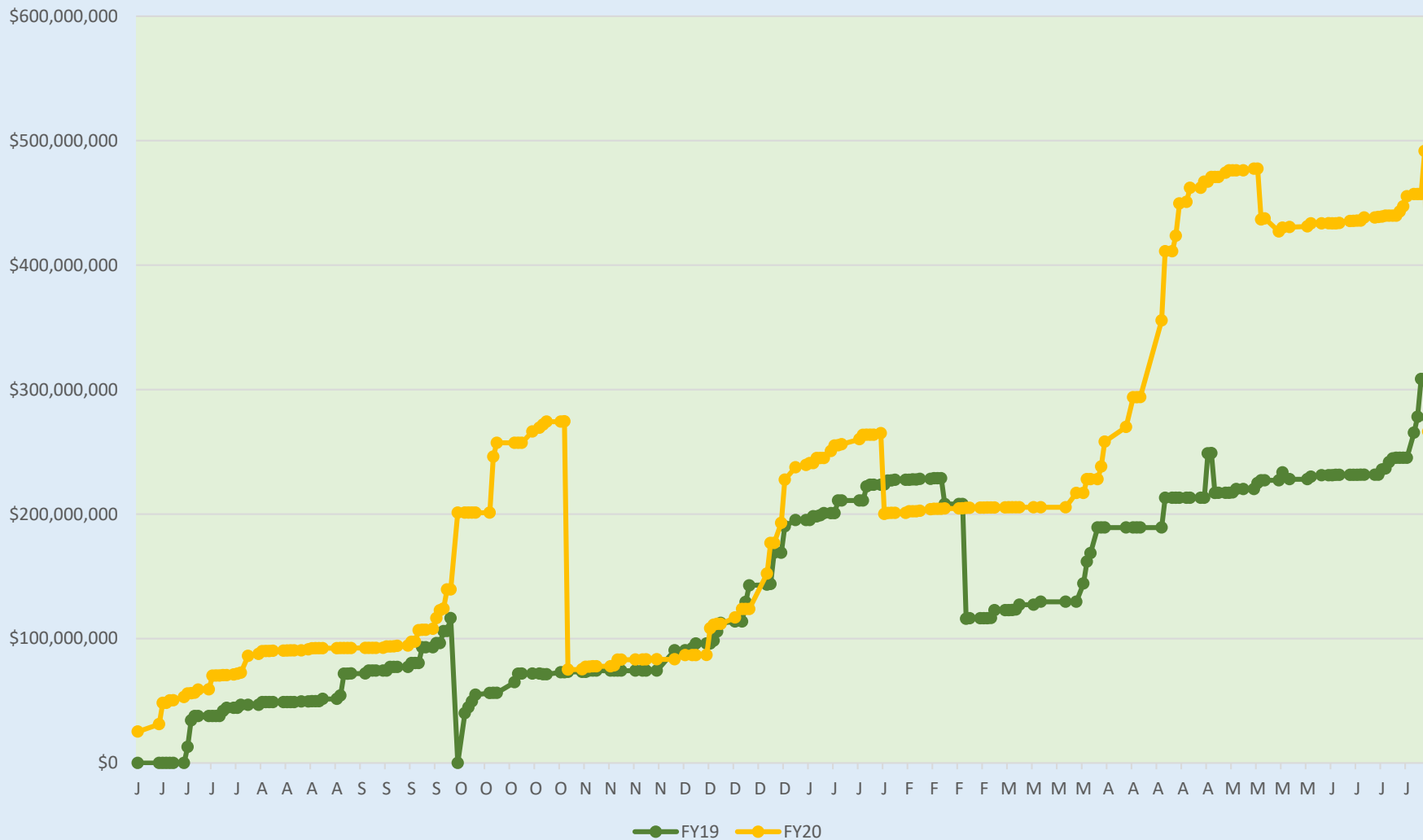
Medicaid Expenditures by Category



FY20 Medicaid Expenditure Review

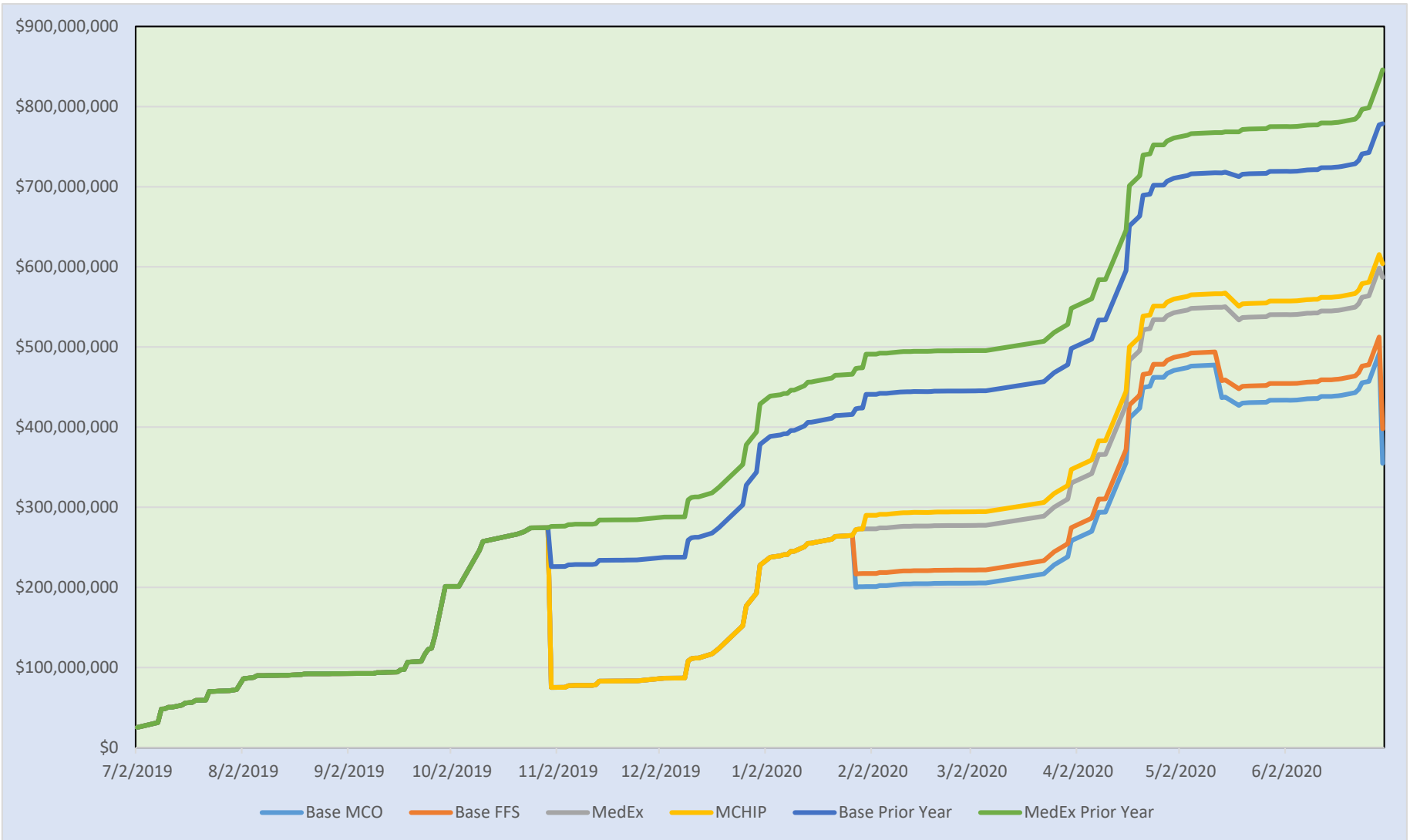
MCO Pharmacy Rebates

MCO Rebate Daily Balances



FY20 Medicaid Expenditure Review

TOTAL Pharmacy Rebates by Category



Category	Base Medicaid				
	FY 2020 Adjusted Budget	Adjusted Budget Through June	Expenditures through June FY2020	\$ Variance (over) / under Budget	% Variance
General Medical Care: MCOs	6,748,551,873	6,748,551,872	6,790,026,446	(41,474,574)	1%
Capitation Payments: Low-Income Adults & Children	2,317,341,752	2,317,341,752	2,332,813,391	(15,471,639)	1%
Capitation Payments: Aged, Blind & Disabled	95,760,413	95,760,413	95,736,540	23,873	0%
Capitation Payments: Duals/CCC Program	9,284,032	9,284,032	8,722,877	561,155	-6%
Capitation Payments: CCC+ Program	4,616,746,778	4,616,746,777	4,595,484,674	21,262,104	0%
MCO Pharmacy Rebates	(290,581,102)	(290,581,102)	(242,731,035)	(47,850,067)	-16%
General Medical Care: Fee-For-Service	1,262,125,753	1,262,125,750	1,192,216,992	69,908,757	-6%
Inpatient Hospital	220,713,323	220,713,322	197,903,337	22,809,985	-10%
Outpatient Hospital	41,375,629	41,375,628	38,836,892	2,538,736	-6%
Physician/Practitioner Services	54,436,320	54,436,320	60,331,740	(5,895,420)	11%
Clinic Services	87,812,961	87,812,961	101,016,626	(13,203,666)	15%
Pharmacy	11,904,944	11,904,944	12,438,414	(533,469)	4%
FFS Pharmacy Rebates	(6,685,552)	(6,685,552)	(58,820,051)	52,134,499	780%
Medicare Premiums Part A & B	343,625,118	343,625,118	351,461,164	(7,836,046)	2%
Medicare Premiums Part D	271,309,463	271,309,462	273,488,455	(2,178,993)	1%
Dental	150,006,450	150,006,451	129,243,573	20,762,878	-14%
Transportation	50,321,939	50,321,939	51,949,519	(1,627,581)	3%
All Other	37,305,158	37,305,158	34,367,324	2,937,833	-8%
Behavioral Health & Rehabilitative Services	48,432,736	48,432,737	40,866,561	7,566,177	-16%
MH Case Management	1,734,021	1,734,022	1,536,215	197,807	-11%
MH Residential Services	20,075,241	20,075,241	13,539,199	6,536,042	-33%
MH Rehabilitative Services	9,959,077	9,959,077	9,194,323	764,754	-8%
Early Intervention & EPSDT-Authorized Services	16,664,397	16,664,398	16,596,824	67,574	0%
Long-Term Care Services	1,466,893,571	1,466,893,570	1,447,494,830	19,398,740	-1%
Nursing Facility	135,441,357	135,441,357	154,624,965	(19,183,608)	14%
Private ICF/MRs	123,073,187	123,073,187	122,044,155	1,029,032	-1%
PACE	70,691,318	70,691,318	70,787,795	(96,477)	0%
HCBC Waivers: Personal Support	175,655,806	175,655,806	176,304,395	(648,589)	0%
HCBC Waivers: Habilitation	858,685,769	858,685,769	822,373,819	36,311,949	-4%
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzh.	38,444,227	38,444,227	38,177,334	266,894	-1%
HCBC Waivers: Case Management & Support	64,901,907	64,901,907	63,182,366	1,719,540	-3%
Hospital Payments	501,943,786	501,943,786	399,271,822	102,671,964	-20%
Supplemental Rate Assessment Payments	830,909,523	830,909,523	669,927,357	160,982,166	-19%

Category	Medicaid Expansion				
	FY 2020 Adjusted Budget	Adjusted Budget Through June	Expenditures through June FY2020	\$ Variance (over) / under Budget	% Variance
General Medical Care: MCOs	2,580,289,897	2,580,289,897	2,398,399,757	181,890,140	-7%
Capitation Payments: Low-Income Adults & Children	1,931,694,440	1,931,694,440	1,948,610,164	(16,915,724)	1%
Capitation Payments: Aged, Blind & Disabled	-	-	-	-	
Capitation Payments: Duals/CCC Program	-	-	-	-	
Capitation Payments: CCC+ Program	648,595,457	648,595,457	608,228,440	40,367,017	-6%
MCO Pharmacy Rebates	-	-	(158,438,847)	158,438,847	
General Medical Care: Fee-For-Service	427,550,338	427,550,337	295,571,592	131,978,745	-31%
Inpatient Hospital	272,948,123	272,948,123	203,335,608	69,612,515	-26%
Outpatient Hospital	65,086,648	65,086,648	46,539,434	18,547,214	-28%
Physician/Practitioner Services	43,523,641	43,523,641	25,058,195	18,465,447	-42%
Clinic Services	9,230,398	9,230,397	7,231,386	1,999,011	-22%
Pharmacy	10,896,299	10,896,299	10,455,177	441,122	-4%
FFS Pharmacy Rebates	-	-	(21,462,301)	21,462,301	
Dental	16,928,351	16,928,351	14,221,571	2,706,780	-16%
Transportation	4,164,869	4,164,869	6,137,632	(1,972,763)	47%
All Other	4,772,009	4,772,009	4,054,890	717,119	-15%
Behavioral Health & Rehabilitative Services	6,797,043	6,797,043	7,983,639	(1,186,597)	17%
MH Case Management	-	-	580,517	(580,517)	
MH Residential Services	-	-	40,137	(40,137)	
MH Rehabilitative Services	-	-	7,017,156	(7,017,156)	
Long-Term Care Services	21,560,602	21,560,602	19,024,432	2,536,171	-12%
Nursing Facility	12,898,207	12,898,207	6,840,520	6,057,687	
Private ICF/MRs	-	-	1,583,943	(1,583,943)	-29%
PACE	-	-	782,172	(782,172)	
HCBC Waivers: Personal Support	-	-	2,278,901	(2,278,901)	
HCBC Waivers: Habilitation	8,662,395	8,662,395	6,560,545	2,101,850	13%
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzhei	-	-	222,870	(222,870)	
HCBC Waivers: Case Management & Support	-	-	755,481	(755,481)	
Hospital Payments	36,210,458	36,210,458	70,223,055	(34,012,597)	94%
Supplemental Rate Assessment Payments	322,912,122	318,580,182	365,618,877	(47,038,695)	15%

FY20 Medicaid Expenditure Review

Medicaid Accuracy Report – June 2020

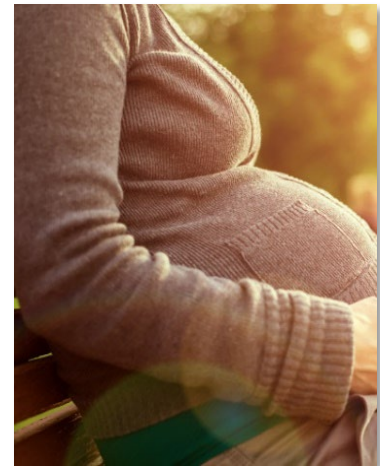
	Total Forecasted Base + Expansion				
	FY 2020 Adjusted Budget	Adjusted Budget Through June	Expenditures through June FY2020	\$ Variance	% Variance
Total Forecasted Medicaid Expenditures	14,254,177,702	14,249,845,757	13,696,625,360	553,220,397	-3.9%
Federal Funds	8,761,308,200	8,761,308,200	8,385,271,474	376,036,726	-4.3%
Rate Assessment	444,700,047	444,700,047	343,196,158	101,503,889	-22.8%
Coverage Assessment	260,888,882	260,888,882	243,295,439	17,593,443	-6.7%
Virginia Health Care Fund	408,419,831	408,419,831	381,399,955	27,019,876	-6.6%
State Funds	4,378,860,742	4,378,860,742	4,343,462,335	35,398,407	-0.8%

2020GA Medicaid Funding Summary

(in millions, General Funds only)

	FY 2020	FY 2021	FY 2022
Base Appropriation	\$4,989	\$4,989	\$4,989
Introduced Budget: U&I Forecast	(\$211.70)	\$174.50	\$500.50
Introduced Budget: Spending Initiatives	\$0.00	\$34.60	\$64.90
Introduced Budget: Reduction/Savings	(\$44.40)	(\$110.40)	(\$131.70)
Total Introduced Budget	\$4,733	\$5,088	\$5,423
	FY 2020	FY 2021	FY 2022
Conference: Spending Initiatives	\$0.00	\$89.9	\$127.80
Conference: Reduction/Savings	(\$5.9)	(\$40.1)	(\$72.70)
Total Conference Budget	\$4,727	\$5,138	\$5,478
	FY 2020	FY 2021	FY 2022
Final Adopted: Spending Initiatives	\$0.00	\$1.03	\$0.00
Final Adopted: Reduction/Savings	\$0.00	\$0.00	\$0.00
Final Adopted Budget	\$4,727	\$5,139	\$5,478
Unallotted (total 31 items)	\$0.00	(\$80.0)	(\$128.0)
Final Budget	\$4,727	\$5,059	\$5,350





***MANAGED CARE
CONTRACT UPDATE
EFRC JULY 29, 2020***

***CHERYL J. ROBERTS
DEPUTY OF PROGRAMS AND
OPERATIONS***

MCO Contract Process Cycle

- Post General Assembly adjournment, the DMAS joint managed care program team:
 - integrates items that were passed by General Assembly and items included in the Governor's final budget
 - works with divisions and stakeholders to develop contract language that
 - supports a federal mandate or
 - clarifies the contract or are non-cost items
- These items are reviewed by Mercer and the plans and included in the spring rate development for consideration
- Mercer and DMAS hold two Managed Care Organizations (MCO) rate meetings

MCO Contract Process Cycle

- Contract is reviewed by Executive Leadership Team (ELT)
- Contract is reviewed by the Department of Planning and Budget (DPB)
- DPB ensures the language does not include contract changes resulting in a material fiscal impact on the general fund, for which no legislative appropriation has been provided
- The final draft contracts are reviewed by the MCOs
- Last minute modifications are submitted again to DPB
- Contracts are reviewed by the OAG
- DMAS receives DPB review and approval notice
- The contract and rate pages are signed by MCOs and DMAS and sent to CMS for their review and approval 30 days before the effective date

MCO 2020 Contract Changes

- July 2020 is the first time both Medallion 4.0 and CCC Plus are on the same contracting and rate cycle
- In April 2020, the Governor unallocated funds that resulted in DMAS removing twelve (12) items from the contract that were previously approved in the 2020 session
- The revised contract has been reviewed and approved by DPB
- The signed contract was submitted to CMS mid June

Contract Changes That Impact Both Programs

The following items remained in the July 2020 contracts:

- Requirements to implement reimbursement reductions for hospital readmissions and preventable emergency room visits
- Prohibition on MCO Pharmacy Benefit Managers (PBMs) from spread-pricing
- Revised and added language related to mergers and acquisitions and significant operational changes
- Established payment targets for the total portion of medical spending covered under a value based payment arrangement

Contract Changes That Impact Both Programs

Items remaining in July 2020 (continued)

- Rewrote section regarding Emergency and Post-Stabilization to reflect current operational practices
- Clarified non-emergency transportation services and requirements to allow for Uber, LYFT, etc.
- General alignment between contracts

Program Specific Contract Changes

CCC Plus

- Moved CCC Plus contracting from renewing on CY to SFY
- Rate increase for personal care, respite and companion services (approved by the budget)
- Named and clarified ongoing care coordination subpopulation groups (high-risk, moderate risk, etc.)
- Clarified MCO responsibilities with LTSS level of care review
- Allowed nursing facility staff to conduct LTSS level of care screenings

Medallion 4.0

- Made changes in the FAMIS coverage addendum to comply with mental health parity
- Removed FAMIS language and placed in an addendum to the contract
- Corrected section reference errors and improved readability

Program Specific COVID-19 Changes

Directed payments and contract changes to support providers affected by COVID-19

CCC Plus

- Nursing homes
- Increase nursing home payments by \$20 per day
- MCOs have begun to send adjustments to facilities in May for days on or after March 12, 2020

Medallion 4.0

- Primary care providers
- Increase payments by 29% for E&M codes rendered between March 1, 2020 and June 30, 2020
- MCOs will be sending adjustments to providers in mid to late August

EXTERNAL FINANCIAL REVIEW BOARD

July 29, 2020

Ellen Montz, PhD
Chief Deputy and Deputy for Health
Economics and Economic Policy
Department of Medical Assistance
Services



MCO Expenditure Dashboard



Commonwealth of Virginia

Virginia Department of Medical Assistance Services

FOR IMMEDIATE RELEASE

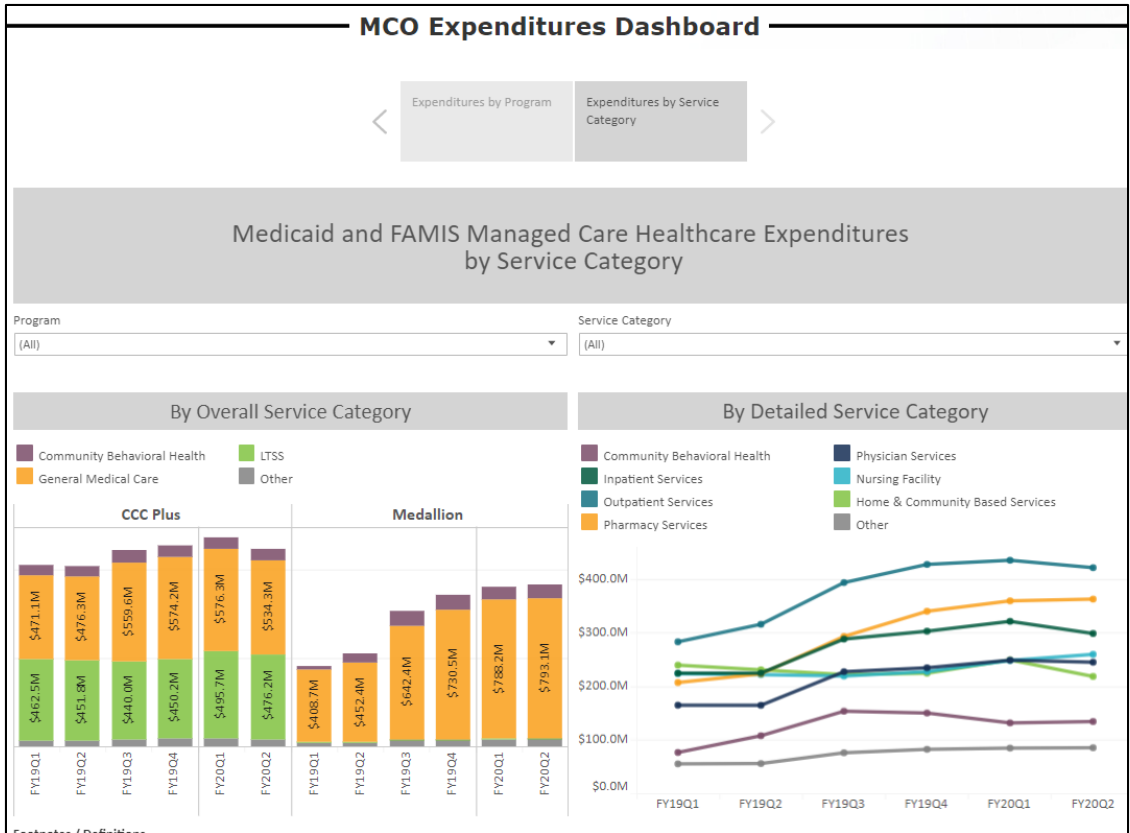
Date: July 9, 2020

Contact: Christina Nuckols
christina.nuckols@dmas.virginia.gov

Virginia Medicaid Launches New Managed Care Dashboards

~ Data warehouse provides transparency in expenditures and financial performance ~

Richmond – The Virginia Department of Medical Assistance Services (DMAS) today announced two new dashboards that support the agency’s goals for greater transparency and give members, providers, taxpayers and other stakeholders access to key financial information about the managed care programs that oversee care for 98% of the state’s 1.6 million Medicaid members.



Updates to MCO Expenditure Dashboard

Populations

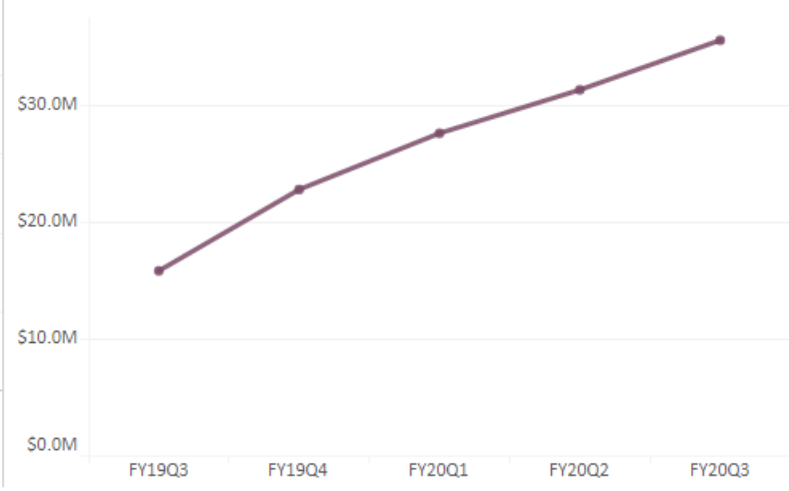
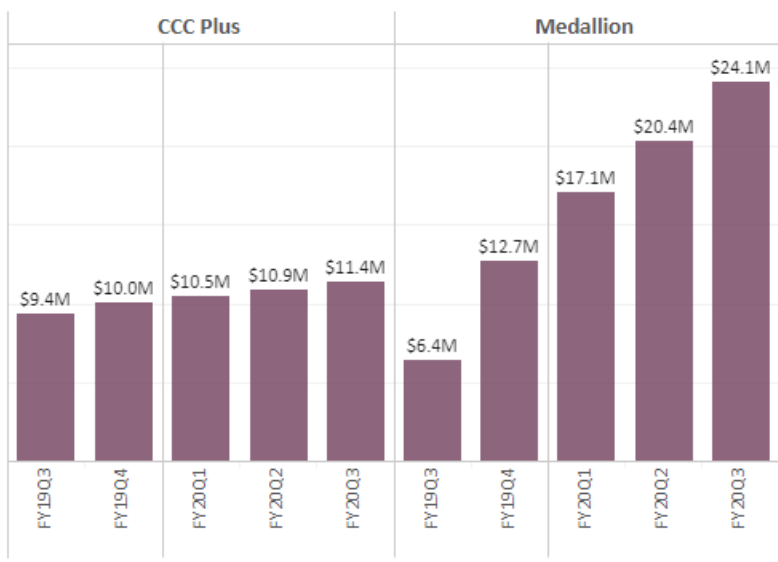
Medicaid and FAMIS Managed Care Healthcare Expenditures by Service Category

Program: (All) | Member Eligibility Category: Medicaid Expansion | Service Category: Community Behavioral Health

By Overall Service Category | By Detailed Service Category

Community Behavioral Health

Community Behavioral Health



Updates to MCO Expenditure Dashboard

Per Member Per Month

Medicaid and FAMIS Managed Care Healthcare Expenditures

Program: (All) | Member Eligibility Category: Non-Expansion Adults | Service Category: (All)

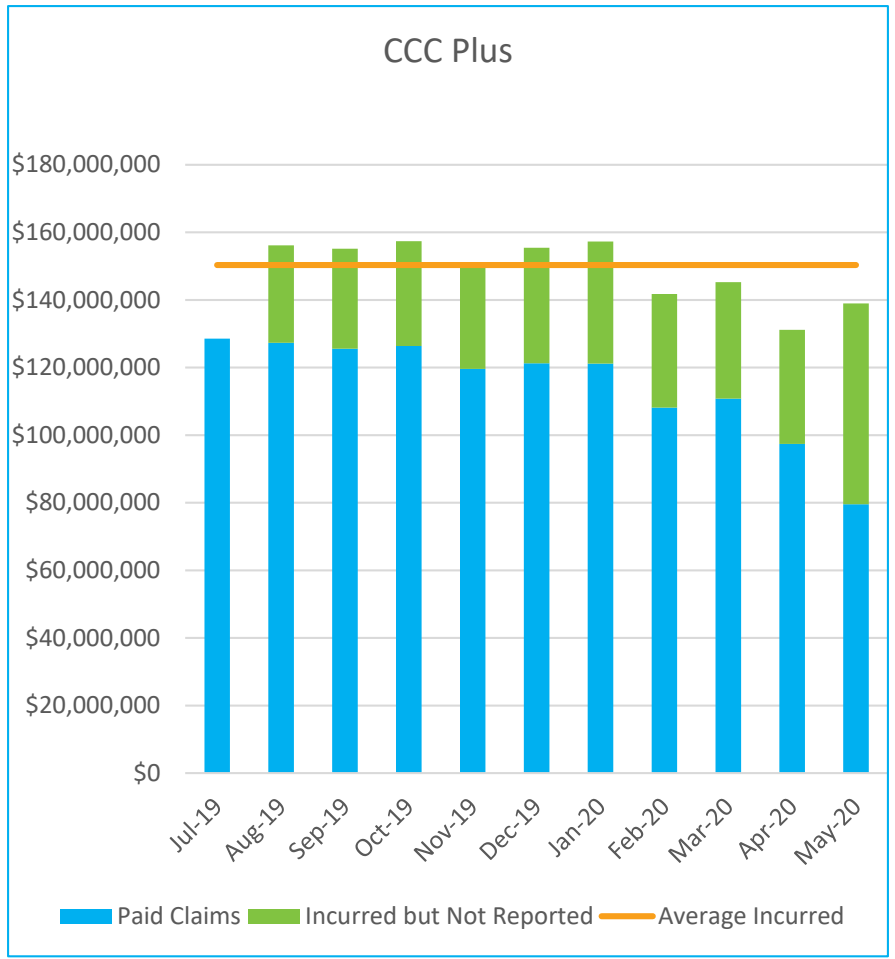
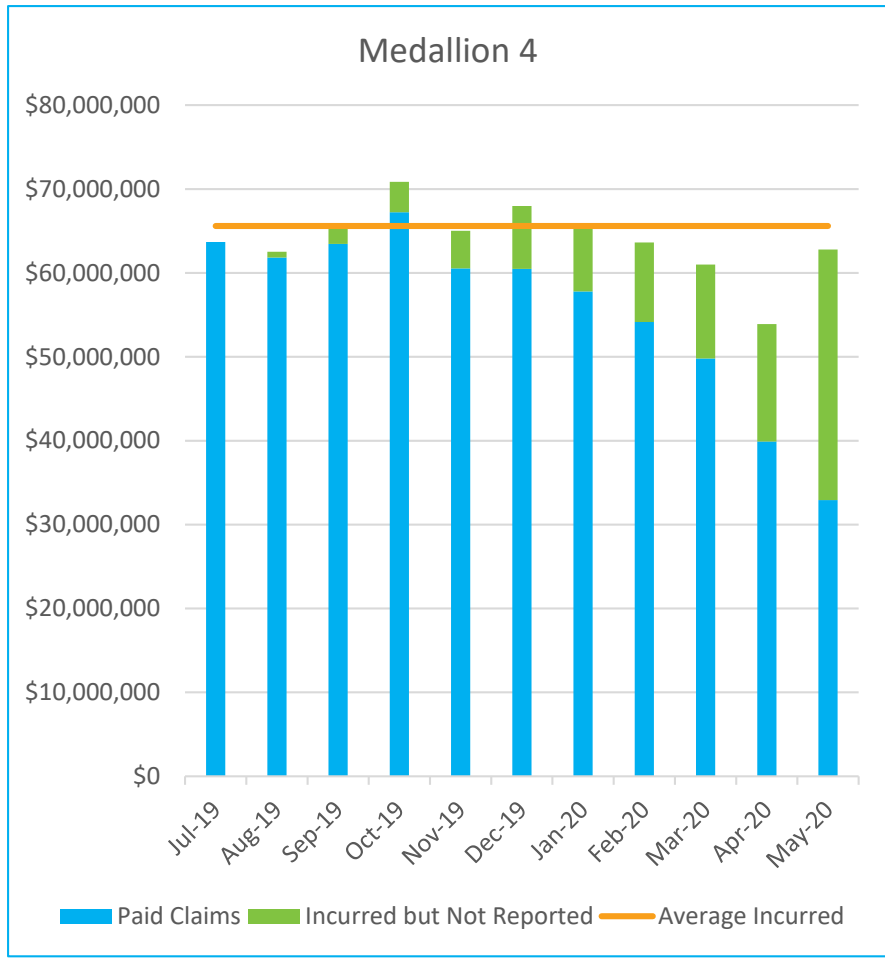
Healthcare Expenditures by Program



Legend: CCC Plus (Green), Medallion (Blue)

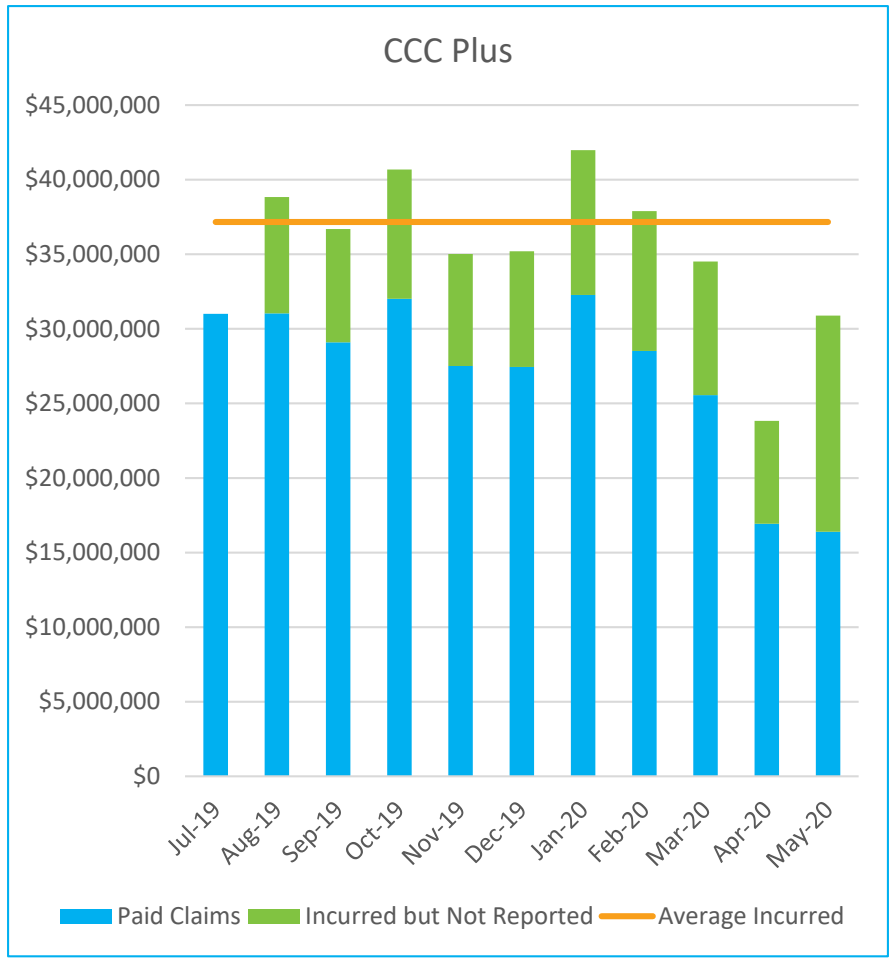
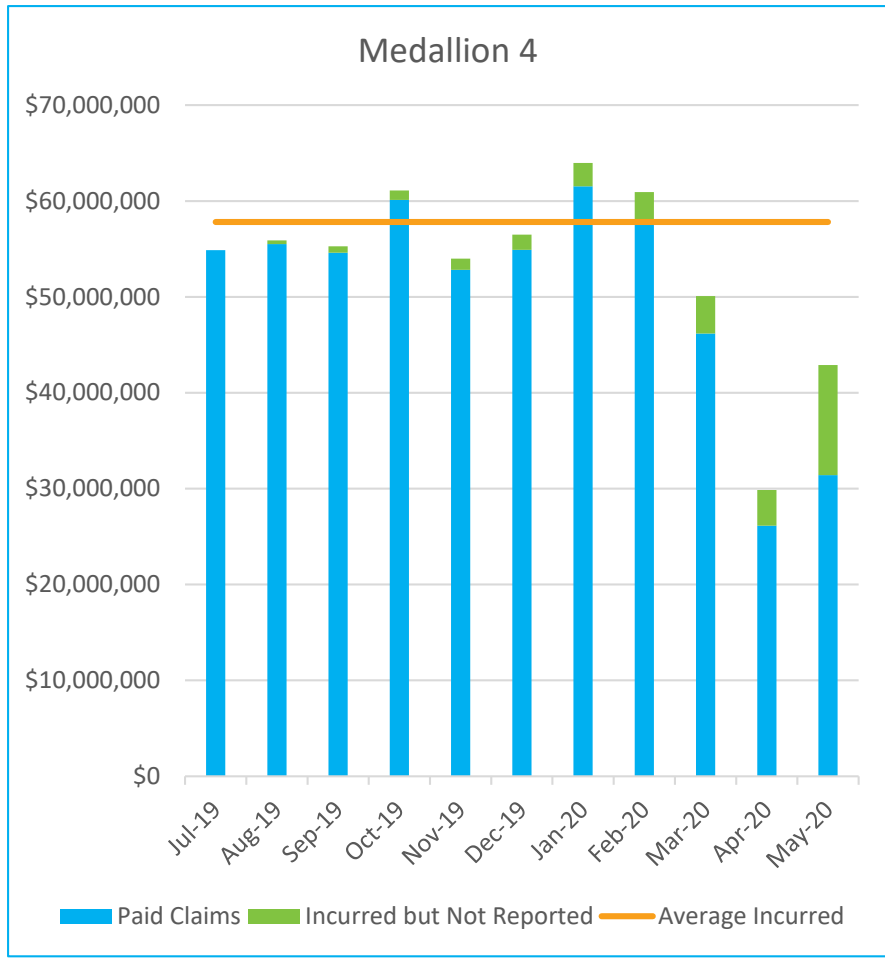
Expenditures during COVID-19

Inpatient Services



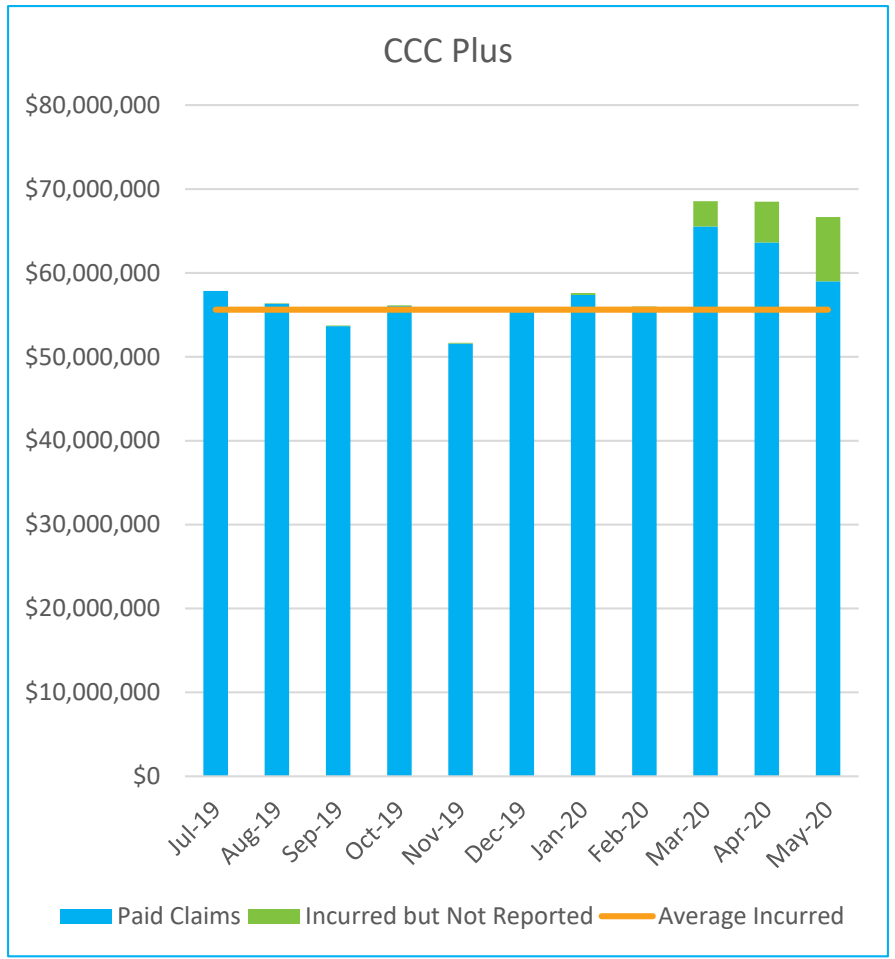
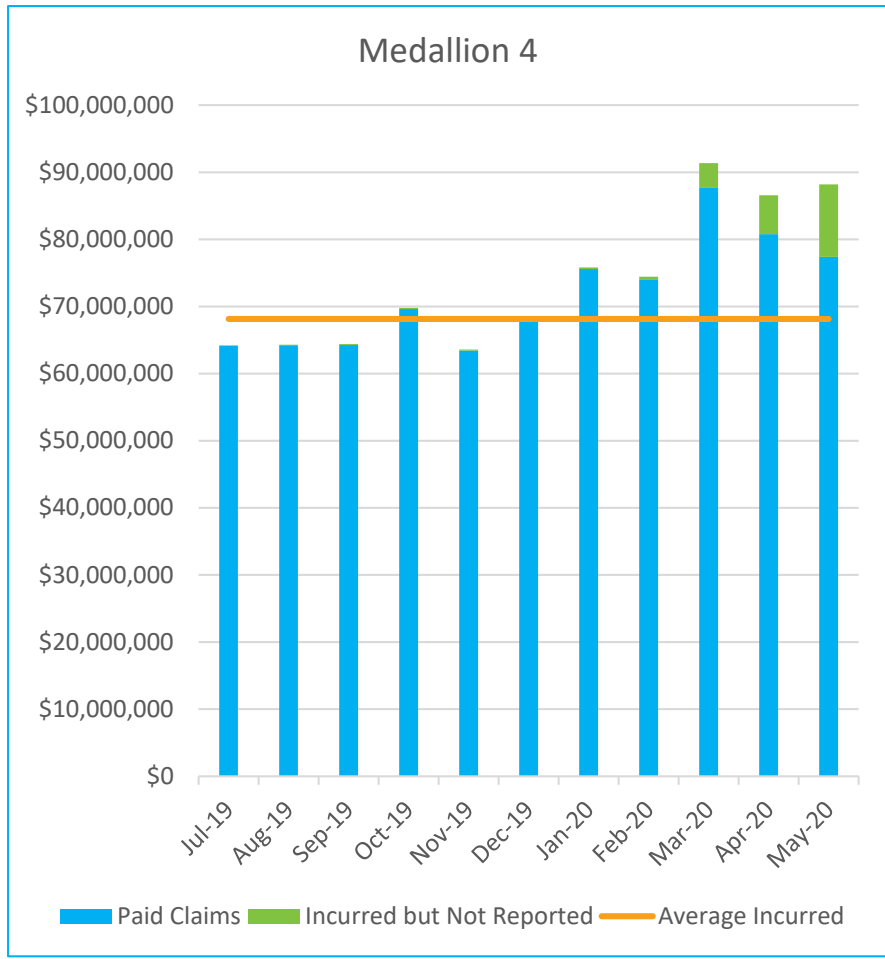
Expenditures during COVID-19

Outpatient



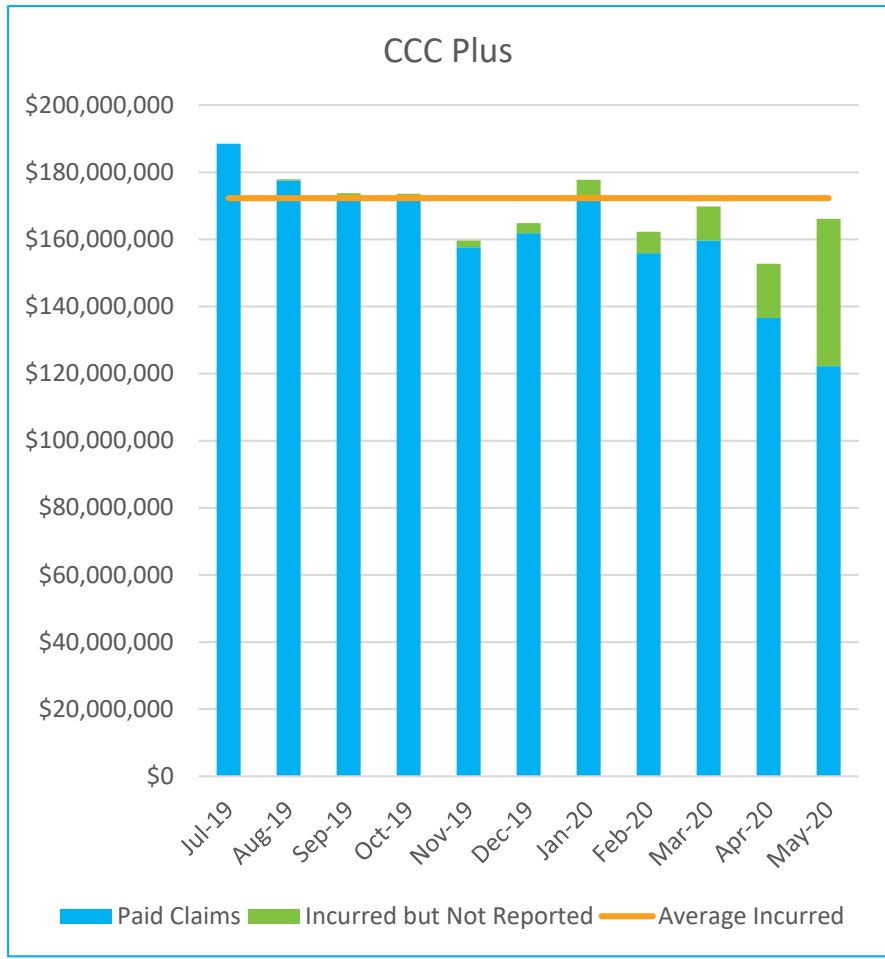
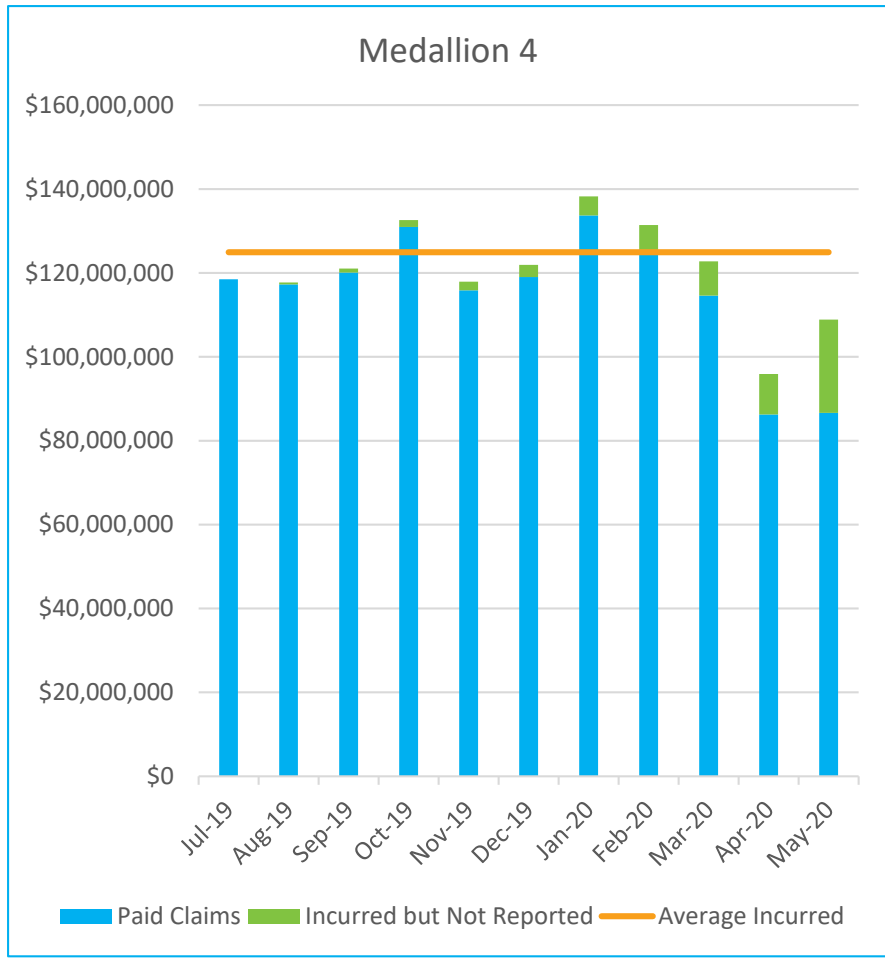
Expenditures during COVID-19

Pharmacy Services

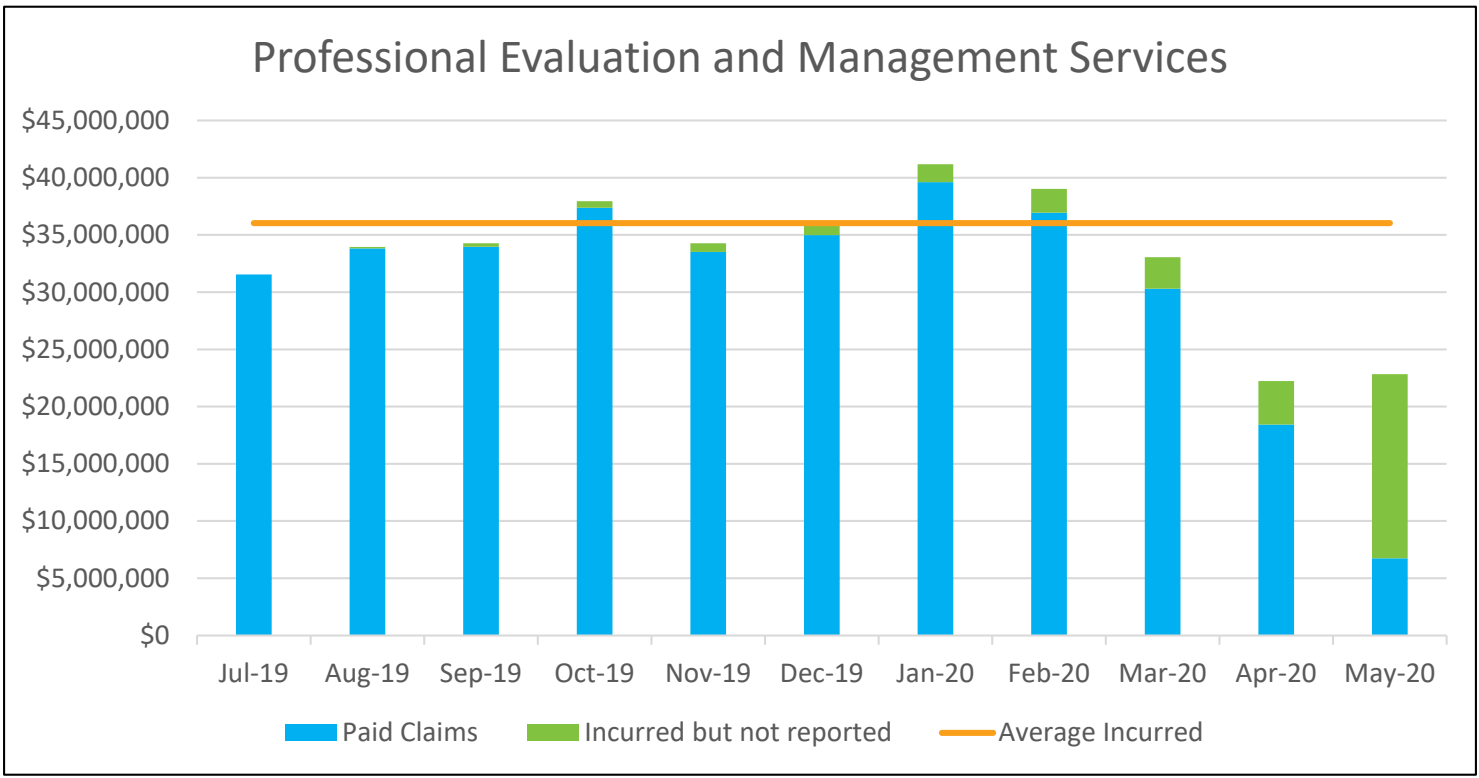


Expenditures during COVID-19

Physician/Professional Services



Directed Payments



- 29% increase in payment (March 1 and June 30)
- Estimated to provide \$31 million in support to primary care providers, pediatricians and other general medical care providers