

# THE VIRGINIA MEDICAID PROGRAM AT A GLANCE\*

January 2009



## ***Introduction:***

Authorized under Title XIX of the Social Security Act, Medicaid is an entitlement program financed by the state and federal governments and administered by the states. The Virginia Medicaid program is administered by the Department of Medical Assistance Services (DMAS).

Federal financial assistance is provided to states for coverage of medical services for specific groups of low-income people. Federal matching payment rates are based on the state's per capita income. The federal match rate for Virginia is 50% for 2009.

## ***Who Is Covered by Medicaid?***

While Medicaid was created to assist persons with low income, coverage is dependent upon other criteria as well. Eligibility is primarily for those persons falling into particular categories, such as low income children, pregnant women, the elderly, persons with disabilities, and parents meeting specific income thresholds. Within federal guidelines, states set their own income and asset eligibility criteria for Medicaid, which results in a large variation among the states as to who is eligible. In Virginia, income and resource requirements vary by category.

The Virginia Medicaid population in fiscal year 2008\* was comprised of:



- 487,929 children,
- 142,180 parents or caretakers of children and pregnant women,
- 81,541 elderly persons,
- 182,636 persons who are blind or who have disabilities.

Children and parents/caretakers of children make up about 70 percent of the Medicaid beneficiaries, but they account for less than a third of Medicaid spending. Persons who are elderly or who have disabilities account for the majority of Medicaid spending because of their intensive use of acute and long-term care services.

*\*This does not include individuals enrolled in the Family Access to Medical Insurance Security (FAMIS) or Medicaid Expansion Programs.*

## ***What Services Are Covered Under Medicaid?***

The Virginia Medicaid program covers a broad range of services with nominal cost sharing for some of the beneficiaries as permitted under federal law. The Virginia Medicaid program covers all of the federally mandated services:

- Inpatient and outpatient hospital care,
- Physician, nurse midwife, and pediatric and family nurse practitioner services,
- Federally qualified health centers and rural health clinic services,
- Laboratories and x-ray services,
- Transportation services,
- Prenatal care,
- Family planning services,
- Skilled nursing facility and home health care services for persons over age 21, and
- Early and Periodic Screening, Diagnosis, and Treatment program for children ("EPSDT").

Virginia Medicaid also covers several optional services, including, but not limited to:

- Routine dental care for people under age 21,
- Prescription drugs,
- Rehabilitation services such as occupational, physical, and speech therapy,
- Intermediate care facilities for persons with developmental and intellectual disabilities and related conditions,
- Mental health services, and
- Substance Abuse Services.

Medicaid beneficiaries also receive coverage through home and community-based "waiver" programs. These waivers provide community services as an alternative to institutionalization. The following waiver programs are available to Medicaid beneficiaries who meet level of care criteria:

- AIDS Waiver,
- Alzheimer's Waiver,
- Day Support for Persons with Intellectual Disabilities Waiver,
- Elderly or Disabled with Consumer-Direction Waiver,
- Intellectual Disabilities Waiver,
- Technology Assisted Waiver, and
- Individual and Family Developmental Disabilities Support Waiver.

### How Is Care Delivered Under Virginia Medicaid?

DMAS provides Medicaid to individuals through two general care delivery models: a model utilizing contracted managed care organizations (MCO) to coordinate care; and a Fee-for-Service (FFS) model, the standard Medicaid program whereby service providers are reimbursed directly by DMAS.

The MCO program, started in 1996, is available in certain regions of the state. As of November 2008, 446,442 Medicaid beneficiaries were enrolled in managed care (64 percent of total beneficiaries), with 254,295 beneficiaries enrolled in the FFS program (36 percent of total beneficiaries).

Another “managed care” option for long-term care recipients is the expansion of the Program for All-Inclusive Care for the Elderly (PACE) across the Commonwealth. PACE is designed to allow Medicaid eligible individuals aged 55 or older who have been assessed as meeting nursing facility level of care to avoid more costly institutionalization by providing coordinated care in their homes and communities.

### Medicaid Expenditures and Enrollees

Over the past ten years, the number of people enrolled in the Virginia Medicaid program has increased by 21%. The overall increase has been driven primarily by increases in persons who are blind or disabled, as well as increases in children enrolled (largely in response to significant outreach and education efforts regarding the need for childhood health coverage).

Group	1998	2008	% Change
Aged	90,644	82,212	-9%
Blind and Disabled	127,264	177,755	28%
Children	370,249	480,392	23%
Adults	108,576	140,716	23%
<b>Total</b>	<b>696,733</b>	<b>881,075</b>	<b>21%</b>

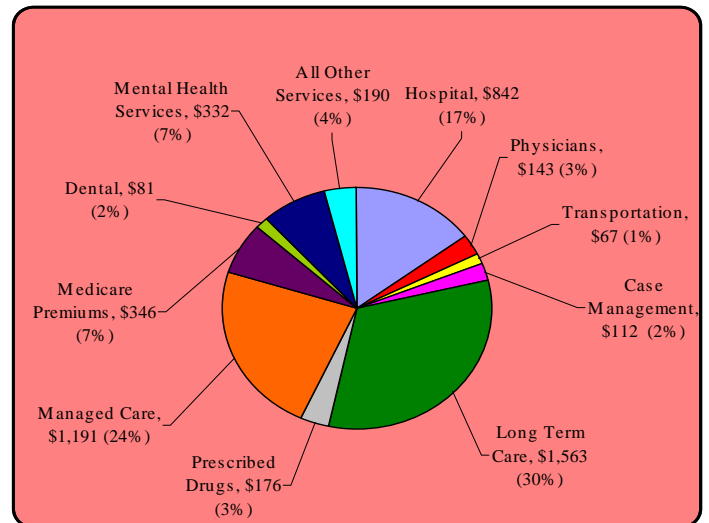
Despite this enrollment growth over the 10 year period, Virginia’s eligibility criteria remain among the strictest in the nation. With population ranking Virginia as the 12<sup>th</sup> largest state (2006), we are 22<sup>nd</sup> in the number of Medicaid recipients served, and are 47<sup>th</sup> in terms of Medicaid recipients as a percent of the total population (both rankings from 2005).

In addition to population increases, expenditures have increased as well, albeit consistent with those of other states. Expenditure levels are affected by population and

economic change, such as health care cost inflation, as well as by advances in health care delivery and program changes directed by federal and state decision makers.

Though Virginia’s rate of growth in expenditures is comparable, the absolute level of spending remains low relative to other states. While Virginia enjoys higher than average per capita income (ranked 8<sup>th</sup> in 2007), Medicaid spending per recipient ranks 31<sup>st</sup> (2005) with spending per capita ranked near the lowest levels nationally at 48<sup>th</sup> (2007).

### DMAS FY2008 Medical Services Expenditures (Amounts in Millions)



In FY 2008, 1.8 % of the total DMAS budget was allocated toward administration.

*DMAS strives to provide a system of high quality comprehensive health services to qualifying Virginians and their families.*

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