



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CHERYL ROBERTS
DIRECTOR

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November 3, 2025

The Honorable L. Louise Lucas
Chairman, Finance & Appropriations Committee
Senate of Virginia
Post Office Box 700
Portsmouth, Virginia 23705-0700

The Honorable Luke E. Torian
Chairman, Appropriations Committee
Virginia House of Delegates
4222 Fortuna Plaza, Suite 659
Dumfries, Virginia 22025

Mr. Michael Maul
Director, Department of Planning and Budget
1111 E. Broad Street, Room 5040
Richmond, VA 23219

RE: 2025 Department of Medical Assistance Services Official Medicaid Forecast

Dear Chairman Lucas, Chairman Torian, and Director Maul:

Pursuant to Item 292.A. of the 2025 Appropriation Act, the Department is providing you with the official forecasts for Virginia General Medicaid, Behavioral Health, and Long-Term Care expenditures for fiscal years 2026 through 2028. As required by that Item, we are also providing an enrollment forecast for the same period and a breakout of forecasted expenditures by caseload/utilization, inflation and policy changes. These forecasts include both the base and expansion populations of Medicaid.

It is critical to understand that while this forecast reflects an appropriate, analytical estimate of the current trajectory of Medicaid spending should no steps be taken to change that trajectory, there are several factors inflating the estimate that will be addressed. This includes apparent fraud, waste, and abuse in several lines of service that are driving up spending. In addition, one critical driver of this forecast is anomalous managed care organization (MCO) plan performance resulting in sharp increases in rates. We are working closely with the Governor's administration, the outside actuary, and the MCOs to address these issues and properly adjust them in the forthcoming budget, which will reduce the overall General Fund impact.

The Honorable L. Louise Lucas
The Honorable Luke E. Torian
Director Michael Maul
November 3, 2025
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If you have any questions or need additional information, please contact Chief Deputy, Mr. Jeff Lunardi, at (804) 786-5445 or Jeff.Lunardi@dmass.virginia.gov, or Rich Rosendahl, Chief Analytics Officer, at 804-418-4531 or rich.rosendahl@dmass.virginia.gov. |

I look forward to working with you over the coming year, thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl J. Roberts', written in a cursive style.

Cheryl J. Roberts
Director, Department of Medical Assistance Services

Enclosures

cc: The Honorable Janet V. Kelly
The Honorable Stephen Cummings
Ms. April Kees
Ms. Anne Oman

Expenditures Data for Service Level Forecasts

November 1, 2025

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Managed Care - Low Income Adults			1,214,553,819	1,299,736,430	1,399,312,504
Managed Care - Low Income Children			1,810,981,730	1,884,432,918	2,009,973,637
Acute Performance Withhold Program			31,307,721	31,886,566	33,713,441
Acute Clinical Efficiency Withhold Program			7,826,930	7,971,642	8,428,360
Expenditure Refunds			(494,335)	(494,335)	(494,335)
FY Actual/Weekly Delay Adjustment			15,753,971	0	0
Managed Care - Acute	\$2,787,903,877	\$3,055,004,927	\$3,079,929,836	\$3,223,533,221	\$3,450,933,607
Managed Care - Foster Care and Adoptive Assistance			111,976,617	127,327,301	139,110,449
FY Actual/Weekly Delay Adjustment			89,702	0	0
Managed Care - Acute: AA and Foster Care	\$99,364,028	\$100,935,071	\$112,066,319	\$127,327,301	\$139,110,449
CCC+ DD Waiver			168,367,072	190,507,464	201,754,338
CCC+ Nursing Home			1,010,237,964	1,106,885,250	1,192,218,584
CCC+ NH Eligible Community			3,719,669,726	4,240,660,650	4,735,164,637
CCC+ Non Long Term Care			2,066,843,155	2,242,023,562	2,421,968,679
CCC+ Tech			92,051,701	97,323,376	101,971,913
Value Based Purchasing for Nursing Homes (Base)			169,907,551	171,038,766	171,038,766
Discrete Incentive Payments			10,000	10,000	10,000
CCC+ Performance Withhold Program			65,699,773	72,251,280	80,429,541
CCC+ Clinical Efficiency Withhold Program			16,424,943	18,062,820	20,107,385
FY Actual/Weekly Delay Adjustment			1,508,446	0	0
Managed Care - CCC+	\$5,643,041,462	\$6,451,599,266	\$7,310,720,332	\$8,138,763,167	\$8,924,663,843
Pharmacy MCO Rebates			(324,161,541)	(329,892,956)	(343,568,635)
Pharmacy MCO Rebates	(\$256,992,956)	(\$357,176,987)	(\$324,161,541)	(\$329,892,956)	(\$343,568,635)
Inpatient Acute- General Hospital			168,462,339	189,197,060	206,222,816
Inpatient Crossover			7,701,361	7,803,137	7,803,151
Inpatient Acute- Other Facility			3,028,229	3,770,327	4,199,898
Rehabilitation Hospital			1,210,402	1,293,307	1,381,701
Expenditure Refunds			(4,299,034)	(4,299,034)	(4,299,034)
FY Actual/Weekly Delay Adjustment			4,840,071	0	0
Inpatient Hospital	\$109,630,851	\$175,981,493	\$180,943,367	\$197,764,798	\$215,308,532
Outpatient			10,232,059	10,315,967	10,635,782
Outpatient - Emergency Department			19,243,900	19,741,709	20,375,024
Outpatient Crossover			7,284,631	7,169,586	7,169,598
Lab/X-ray			3,454,649	3,546,872	3,546,872
FY Actual/Weekly Delay Adjustment			714,710	0	0
Outpatient Hospital	\$34,126,192	\$39,082,349	\$40,929,949	\$40,774,134	\$41,727,277
Physicians			23,270,119	24,335,610	24,826,819
Physician Crossover			7,604,619	7,629,216	7,629,224
EPSDT Screenings			9,296,082	9,112,284	9,112,300
Other Practitioners			1,452,677	1,465,631	1,465,632
FY Actual/Weekly Delay Adjustment - one time recoupment			1,400,058	0	0
Physician/Practitioner Services	\$33,977,062	\$41,011,806	\$43,023,555	\$42,542,741	\$43,033,974
Physical Therapy Clinics			290,433	296,675	297,036
DOE/School Clinics (100% NGF)			99,952,454	59,858,118	59,901,591
FQHC			105,899,047	116,271,606	132,011,809
IHC Clinics- Regular Split			0	0	0
Other Clinics			30,661,458	30,909,827	31,040,299
Expenditure Refunds			(83,616)	(83,616)	(83,616)
FY Actual/Weekly Delay Adjustment			(739,380)	0	0
Clinic Services	\$128,647,834	\$130,421,794	\$235,980,396	\$207,252,609	\$223,167,119
Pharmacy			14,568,834	15,432,366	15,948,608
FY Actual/Weekly Delay Adjustment			186,688	0	0
Pharmacy	\$12,022,678	\$12,512,497	\$14,755,522	\$15,432,366	\$15,948,608
Pharmacy FFS Rebates			(6,764,855)	(6,884,438)	(6,884,438)
Pharmacy FFS Rebates	(\$5,475,468)	(\$7,261,190)	(\$6,764,855)	(\$6,884,438)	(\$6,884,438)
Categorically Needy, Pt A			35,791,491	38,077,344	40,027,455
Categorically Needy, Pt B			429,865,546	467,866,356	496,244,448
Medically Needy, Pt B (100% GF)			40,265,157	43,620,684	46,165,939
FY Actual/Weekly Delay Adjustment - Year End			39,121,168	0	0
Medicare Premiums Part A & B	\$308,105,272	\$456,629,935	\$545,043,361	\$549,564,384	\$582,437,843
Medicare Part D	\$315,543,472	\$366,991,452	\$436,639,475	\$440,671,885	\$474,723,687

Dental			300,783,769	315,678,098	331,861,028
FY Actual/Weekly Delay Adjustment			5,637,984	0	0
Dental	\$274,170,052	\$287,171,614	\$306,421,753	\$315,678,098	\$331,861,028
Non-Emergency Transportation			101,909,793	115,207,333	123,656,869
Emergency Transportation			877,022	856,061	910,845
FY Actual/Weekly Delay Adjustment - Year End			16,064,346	0	0
Transportation	\$68,548,357	\$75,145,903	\$118,851,160	\$116,063,394	\$124,567,714
Durable Medical Equipment			5,004,776	5,272,783	5,431,446
HIPP (Health Insurance Premium Payments)			9,512,097	9,574,748	9,556,099
Home Health			91,642	96,873	101,462
Hospice			16,417,305	18,690,813	20,070,732
FY Actual/Weekly Delay Adjustment			631,773	0	0
All Other	\$24,659,421	\$27,920,081	\$31,657,593	\$33,635,217	\$35,159,739
Nursing Facility			270,990,895	284,408,017	295,180,664
Expenditure Refunds			(78,708)	(78,708)	(78,708)
FY Actual/Weekly Delay Adjustment			(2,300,216)	0	0
Nursing Facility	\$193,705,183	\$254,085,869	\$268,611,970	\$284,329,309	\$295,101,956
ICF/IID/Private			142,079,431	149,475,500	150,618,815
Expenditure Refunds			0	0	0
FY Actual/Weekly Delay Adjustment			1,564,606	0	0
ICF/MR/Private	\$138,383,522	\$136,866,277	\$143,644,037	\$149,475,500	\$150,618,815
PACE			162,870,788	187,570,276	215,056,310
FY Actual/Weekly Delay Adjustment			203,186	0	0
PACE	\$119,681,672	\$137,222,250	\$163,073,974	\$187,570,276	\$215,056,310
PersCare, Respite, Companion: Agency			96,476,122	106,091,578	110,045,746
PersCare, Respite, Companion: CD			272,874,584	275,136,953	286,124,222
			0	0	0
			0	0	0
Expenditure Refunds			(7,849,271)	(7,849,271)	(7,849,271)
FY Actual/Weekly Delay Adjustment			0	0	0
Waiver: Personal Support	\$315,199,603	\$376,290,910	\$361,501,435	\$373,379,260	\$388,320,696
Habilitation - Congregate Residential			810,951,972	843,399,006	869,109,404
Habilitation - Sponsored Residential			339,701,930	361,965,016	374,491,310
Habilitation - InHome Residential			253,637,016	283,382,567	296,414,553
Habilitation - Day Support			284,487,805	356,536,666	381,802,758
Habilitation - Other I/DD Services			68,860,111	75,032,188	78,992,031
FY Actual/Weekly Delay Adjustment			23,816,291	0	0
Waiver: Habilitation	\$1,424,625,902	\$1,593,125,514	\$1,781,455,125	\$1,920,315,442	\$2,000,810,056
Adult Day Care			134,585	130,889	130,893
Skilled Nursing Services			110,993,201	121,021,481	128,633,606
EM/AT/PERS			2,103,524	2,150,507	2,166,780
FY Actual/Weekly Delay Adjustment			1,775,178	0	0
Waiver: Nursing, EM/AT, Adult Day Care	\$85,248,770	\$99,594,684	\$115,006,488	\$123,302,877	\$130,931,279
CL Case Management			66,330,711	67,379,600	68,358,795
FIS Case Management			15,872,416	16,566,729	17,016,776
CD Facilitation			7,295,746	7,617,131	8,023,245
FY Actual/Weekly Delay Adjustment			590,363	0	0
Waiver: Case Mgmt & Support Services	\$80,625,345	\$86,067,088	\$90,089,235	\$91,563,460	\$93,398,816
MH Case Management			1,284,227	1,304,783	1,326,774
FY Actual/Weekly Delay Adjustment			12,856	0	0
MH Case Management	\$1,138,437	\$1,421,122	\$1,297,083	\$1,304,783	\$1,326,774
Inpatient Residential, DMAS Expenditures			13,303,141	13,721,252	13,976,023
FY Actual/Weekly Delay Adjustment			0	0	0
MH Residential	\$77,456,738	\$23,704,742	\$13,303,141	\$13,721,252	\$13,976,023
State Plan Option/MH Rehab			9,261,072	9,491,622	9,632,911
FY Actual/Weekly Delay Adjustment			(9,966)	0	0
MH Rehabilitative	\$19,958,724	(\$6,483,326)	\$9,251,106	\$9,491,622	\$9,632,911
Early Intervention			420,057	411,354	415,408
EPSDT Authorized Services			18,215,054	18,968,958	19,364,204
FY Actual/Weekly Delay Adjustment			(168,287)	0	0
MH EI/EPSTD Authorized	\$11,939,499	\$18,839,770	\$18,466,824	\$19,380,312	\$19,779,612
DSH			27,164,850	25,605,321	25,605,321
GME			81,019,160	83,785,237	86,927,183

IME			329,933,755	346,166,905	359,148,166
CHKD-(All)			173,353,688	171,253,775	177,675,795
GME High-Needs Specialty (GMEHNS)			0	0	0
Multi-Settlement			55,690,254	0	0
Physician Supps.			133,484,981	133,484,981	133,484,981
Annual NSGO and SGO Clinics With GF			227,159	170,369	170,369
NSGO - CPE			75,374,200	70,585,026	70,585,026
IGT- Sentara/Carilion			62,689,514	70,041,019	70,041,019
IGT-Physician			67,505,240	67,505,240	67,505,240
IGT-Dental			6,058,712	6,058,712	6,058,712
IGT-NGSO and NGO NF			39,500,858	39,500,858	39,500,858
Supplemental Payments Medicaid Non Expansion	502,678,972	847,153,837	\$1,052,002,370	\$1,014,157,444	\$1,036,702,671
Enhanced Rate Payments Non-Expansion	1,466,461,874	1,781,775,242	2,754,322,300	3,146,415,131	3,274,172,202
Enhanced Rate Payments Expansion	1,344,095,449	1,909,166,465	2,189,046,095	2,439,078,969	2,439,078,969
Enhanced Rate Payments	2,810,557,323	3,690,941,707	\$4,943,368,395	\$5,585,494,100	\$5,713,251,171
Indian Health Care Base 100% Federal			0	0	0
			0	0	0
Tribal Clinic 100% Federal	\$0	\$0	\$0	\$0	\$0
Disallowances			0	0	0
Disallowance IHC Retroactive Amounts	\$0	\$0	\$0	\$0	\$0
ACA Expansion Acute			3,647,457,247	3,810,522,981	4,103,812,069
ACA Expansion CCC Plus			2,022,623,337	2,179,643,943	2,346,454,839
ACA Expansion Hospital Fee For Service			295,261,792	310,495,644	335,438,583
ACA Dental			175,709,863	185,437,864	190,350,990
ACA Expansion Other Fee for Service			215,526,027	242,931,395	266,166,618
Indian Health Care MedEx With Split			200,742	0	0
ACA PartB Payments			13,966,985	12,535,508	13,266,347
ACA Part D Claw back payments			15,535,580	15,741,330	16,528,396
ACA Value Based Purchasing for Nursing Homes			15,092,449	13,961,234	13,961,234
ACA Expansion Rebates			(405,880,925)	(413,029,546)	(413,029,546)
Physician Supplemental Payments - Expansion			194,353,303	194,353,303	194,353,303
IME - Expansion			0	0	0
Government and Nonprofit Clinics Expansion			27,464,696	27,464,696	27,464,696
IGT Funded- PSP Expansion			41,434,759	45,752,309	45,752,309
Indian Health Care MedEx 100% Federal			(200,742)	0	0
			0	0	0
ACA Medicaid Expansion Excluding Enhanced Rates	\$5,612,338,286	\$5,668,143,146	\$6,258,545,113	\$6,625,810,661	\$7,140,519,838
Total DMAS Services	\$20,970,810,109	\$23,782,943,603	\$27,345,652,518	\$29,511,522,219	\$31,461,617,276
Total DMAS Services Without Medicaid Expansion	\$12,547,914,499	\$14,423,858,750	\$16,143,739,010	\$17,300,217,459	\$18,607,846,266

Report: DMAS Final Forecast
November 1, 2025

	FY 2023			FY 2024			FY 2025			Fiscal Year 2026			Fiscal Year 2027			Fiscal Year 2028					
	Actual		Expenditures	Actual		Expenditures	Current		Forecast	Surplus/(Need)		Current		Forecast	Surplus/(Need)		Current		Forecast	Surplus/(Need)	
General Medical Care: MCOs (45609)																					
Capitation: Acute Adults & Children	9,517,434,439	8,273,316,411	9,250,362,277									10,178,554,946			11,159,730,733			12,171,139,264			
Capitation: Adoptive Assistance and Foster Care	3,250,615,188	2,787,903,877	3,055,004,927									3,079,929,836			3,223,533,221			3,450,933,607			
Capitation: MLTSS Program	120,951,887	99,364,028	100,935,071									112,066,319			127,327,301			139,110,449			
MCO Pharmacy Rebates	6,496,345,074	5,643,041,462	6,451,599,266									7,310,720,332			8,138,763,167			8,924,663,843			
	(350,477,710)	(256,992,956)	(357,176,987)									(324,161,541)			(329,892,956)			(343,568,635)			
General Medical Care: Fee-For-Service (45609)																					
Inpatient Hospital	1,465,763,528	1,303,955,721	1,605,607,735									1,947,481,276			1,952,495,188			2,081,051,082			
Outpatient Hospital	129,700,547	109,630,851	175,981,493									180,943,367			197,764,798			215,308,532			
Physician/Practitioner Services	29,684,772	34,126,192	39,082,349									40,929,949			40,774,134			41,727,277			
Clinic Services: Not Including IHC	33,455,763	33,977,062	41,011,806									43,023,555			42,542,741			43,033,974			
Pharmacy	131,636,616	128,647,834	130,421,794									235,980,396			207,252,609			223,167,119			
FFS Pharmacy Rebates	9,808,633	12,022,678	12,512,497									14,755,522			15,432,366			15,948,608			
Medicare Premiums Part A & B	(37,800,578)	(5,475,468)	(7,261,190)									(6,764,855)			(6,884,438)			(6,884,438)			
Medicare Premiums Part D	488,860,813	308,105,272	456,629,935									545,043,361			549,564,384			582,437,843			
Dental	330,059,010	315,543,472	366,991,452									436,639,475			440,671,885			474,723,687			
Transportation	257,289,982	274,170,052	287,171,614									306,421,753			315,678,098			331,861,028			
All Other	61,520,615	68,548,357	75,145,903									118,851,160			116,063,394			124,567,714			
	24,169,989	24,659,421	27,920,081									31,657,593			33,635,217			35,159,739			
Behavioral Health & Rehabilitative Services (45608)																					
Mental Health Case Management	27,867,559	110,493,398	37,482,308									42,318,153			43,897,970			44,715,321			
Mental Health Residential Services	994,678	1,138,437	1,421,122									1,297,083			1,304,783			1,326,774			
Mental Health Rehabilitative Services	8,291,510	77,456,738	23,704,742									13,303,141			13,721,252			13,976,023			
Early Intervention & EPSDT-Authorized Services	5,821,202	19,958,724	(6,483,326)									9,491,106			9,491,622			9,632,911			
	12,760,169	11,939,499	18,839,770									18,466,824			19,380,312			19,779,612			
Long-Term Care Services (45610)																					
Nursing Facility	2,159,910,799	2,357,469,997	2,683,252,592									2,923,382,264			3,129,936,125			3,274,237,927			
Private ICF/IDs	136,997,569	193,705,183	254,085,869									268,611,970			284,329,309			295,101,956			
Program of All-Inclusive Care for the Elderly (PACE)	121,257,742	138,383,522	136,866,277									143,644,037			149,475,500			150,618,815			
HCBC Waivers: Personal Support	101,140,967	119,681,672	137,222,250									163,073,974			187,570,276			215,056,310			
HCBC Waivers: Habilitation	319,976,457	315,199,603	376,290,910									361,501,435			373,379,260			388,320,696			
HCBC Waivers: Case Management & Support	1,325,008,110	1,424,625,902	1,593,125,514									1,781,455,124			1,920,315,442			2,000,810,056			
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimer's	81,894,725	80,625,345	86,067,088									90,089,235			91,563,460			93,398,816			
	73,635,229	85,245,770	99,594,684									115,006,488			123,302,877			130,931,279			

Hospital Payments (45609)	623,909,265	502,678,972	847,153,837
DSH/GME/IME/Physician Supplemental Payments			
Certified Public Expenditures (CPE)			
Intergovernmental Transfers (IGT)			

Medicaid Expansion Medical (45611)	5,664,372,638	5,612,338,286	5,668,143,146
ACA Expansion Managed Care			
ACA Expansion Hospital Fee For Service			
ACA Expansion Other Fee for Service			
ACA Expansion IHC Regular FMAP			
ACA Part D Clawback Payments			
ACA Part B Premiums			
ACA Pharmacy Rebates			
ACA Expansion Hospital & Nursing Home Payments			
ACA Expansion Intergovernmental Transfers			
ACA 100% Federal IHC			

Rate Assessment (45611.45609)	2,095,648,449	2,810,557,323	3,690,941,707
ACA Expansion Rate Assessments			
Base Medicaid Rate Assessments			

Total Medicaid - DMAS	21,554,906,677	20,970,810,109	23,782,843,603
Annual Percentage Growth Base Medicaid Only	16.5%	-3.0%	15.0%
Annual Percentage Growth	16.7%	-2.7%	13.4%

State Funds			
Federal Funds			
Coverage Assessment			
Rate Assessment			
TOTAL Funds			

1,052,002,370
800,873,846
75,374,200
175,754,325

6,258,545,113
5,670,080,584
295,261,792
391,235,890
200,742
15,535,580
13,966,985
(405,880,925)
236,910,446
41,434,759
(200,742)

4,943,368,395
2,189,046,095
2,754,322,300

26,177,235,392	27,345,652,518	(1,168,417,126)
	11.9%	
	16.0%	

7,629,437,712	8,039,743,210	(410,305,498)
16,700,713,286	17,075,017,776	(374,304,490)
629,143,639	648,283,418	(19,139,779)
1,217,940,755	1,582,608,114	(364,667,359)
26,177,235,392	27,345,652,518	(1,168,417,126)

1,014,157,444
760,466,588
70,585,026
183,105,829

6,625,810,661
5,990,166,923
310,495,644
428,369,259
0
15,741,330
12,535,508
(413,029,546)
235,779,233
45,752,309
0

5,585,494,100
2,439,078,969
3,146,415,131

26,177,235,392	29,511,522,219	(3,334,286,827)
	7.2%	
	7.9%	

7,629,437,712	8,703,018,119	(1,073,580,407)
16,700,713,286	18,285,882,851	(1,585,169,565)
629,143,639	709,002,210	(79,858,571)
1,217,940,755	1,813,619,040	(595,678,285)
26,177,235,392	29,511,522,219	(3,334,286,827)

1,036,702,671
783,011,816
70,585,026
183,105,829

7,140,519,838
6,450,266,908
335,438,583
456,517,608
0
16,528,396
13,266,347
(413,029,546)
235,779,233
45,752,309
0

5,713,251,171
2,439,078,969
3,274,172,202

26,177,235,392	31,461,617,276	(5,284,381,884)
	7.6%	
	6.6%	

7,629,437,712	9,327,216,106	(1,697,778,394)
16,700,713,286	19,483,707,025	(2,782,993,739)
629,143,639	770,354,982	(141,211,343)
1,217,940,755	1,880,339,164	(662,398,409)
26,177,235,392	31,461,617,276	(5,284,381,884)

