



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CHERYL ROBERTS
DIRECTOR

SUITE 1300
600 EAST BROAD STREET
RICHMOND, VA 23219
804/786-7933
804/343-0634 (TDD)
www.dmas.virginia.gov

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@dmas.virginia.gov, or Rich Rosendahl, Chief Analytics Officer, at 804-418-4531 or rich.rosendahl@dmas.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/EPSTDT 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/Carillion			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-NSGO 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
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	Forecast	Current Appropriation	Surplus/(Need)	Forecast	Current Appropriation	Forecast	Surplus/(Need)				
General Medical Care: MCOs (45609)	9,517,434,439	8,273,316,411	9,250,362,277	9,250,362,277	9,250,362,277	10,178,654,946	1,947,481,276	10,178,654,946	11,159,730,733	1,952,495,193	12,171,139,264	2,081,051,032
Capitation: Acute Adults & Children	3,250,615,188	2,787,903,877	3,055,004,927	3,055,004,927	3,055,004,927	3,079,929,636	160,943,367	3,079,929,636	3,223,533,221	197,764,798	3,450,933,607	215,308,532
Capitation: Adoptive Assistance and Foster Care	120,951,887	99,364,028	100,935,071	100,935,071	100,935,071	112,066,319	40,774,134	112,066,319	127,327,301	40,774,134	139,110,449	41,727,277
Capitation: MLTSS Program	6,496,345,074	5,643,041,462	6,451,599,266	6,451,599,266	6,451,599,266	7,310,720,332	43,023,555	7,310,720,332	8,138,763,167	42,542,741	8,924,663,843	43,063,974
MCO Pharmacy Rebates	(350,477,710)	(256,892,956)	(357,176,987)	(357,176,987)	(357,176,987)	(324,161,541)	235,960,396	(324,161,541)	(329,892,956)	207,252,609	(343,568,635)	223,167,119
General Medical Care: Fee-For-Service (45609)	1,465,763,528	1,303,955,721	1,605,607,735	1,605,607,735	1,605,607,735	1,947,481,276	1,947,481,276	1,947,481,276	1,952,495,193	1,952,495,193	2,081,051,032	2,081,051,032
Inpatient Hospital	129,700,547	109,630,851	175,981,493	175,981,493	175,981,493	160,943,367	160,943,367	160,943,367	197,764,798	197,764,798	215,308,532	215,308,532
Outpatient Hospital	29,684,772	34,126,192	39,082,349	39,082,349	39,082,349	40,929,949	40,929,949	40,929,949	40,774,134	40,774,134	41,727,277	41,727,277
Physician/Practitioner Services	33,455,763	33,977,062	41,011,806	41,011,806	41,011,806	43,023,555	43,023,555	43,023,555	42,542,741	42,542,741	43,063,974	43,063,974
Clinic Services, Not Including IHC	131,636,616	128,647,834	130,421,794	130,421,794	130,421,794	235,960,396	235,960,396	235,960,396	207,252,609	207,252,609	223,167,119	223,167,119
Pharmacy	9,808,633	12,022,678	12,512,497	12,512,497	12,512,497	14,755,522	14,755,522	14,755,522	15,432,366	15,432,366	15,948,608	15,948,608
FFS Pharmacy Rebates	(37,800,578)	(5,475,466)	(7,261,190)	(7,261,190)	(7,261,190)	(6,764,855)	(6,764,855)	(6,764,855)	(6,884,438)	(6,884,438)	(6,884,438)	(6,884,438)
Medicare Premiums Part A & B	488,860,813	308,105,272	456,629,935	456,629,935	456,629,935	545,043,361	545,043,361	545,043,361	549,584,384	549,584,384	582,437,843	582,437,843
Medicare Premiums Part D	330,059,010	315,543,472	366,991,452	366,991,452	366,991,452	436,639,475	436,639,475	436,639,475	440,671,885	440,671,885	474,723,687	474,723,687
Dental	257,289,982	274,170,052	287,171,614	287,171,614	287,171,614	306,421,753	306,421,753	306,421,753	315,678,098	315,678,098	331,861,028	331,861,028
Transportation	61,520,615	68,548,357	75,145,903	75,145,903	75,145,903	118,851,160	118,851,160	118,851,160	116,063,394	116,063,394	124,567,714	124,567,714
All Other	24,169,989	24,659,421	27,920,081	27,920,081	27,920,081	31,657,593	31,657,593	31,657,593	33,635,217	33,635,217	35,159,739	35,159,739
Behavioral Health & Rehabilitative Services (45608)	27,867,559	110,493,398	37,482,308	37,482,308	37,482,308	42,318,153	42,318,153	42,318,153	43,897,970	43,897,970	44,715,321	44,715,321
Mental Health Case Management	994,678	1,138,437	1,421,122	1,421,122	1,421,122	1,297,083	1,297,083	1,297,083	1,304,783	1,304,783	1,326,774	1,326,774
Mental Health Residential Services	8,291,510	77,456,738	23,704,742	23,704,742	23,704,742	13,303,141	13,303,141	13,303,141	13,721,252	13,721,252	13,976,023	13,976,023
Mental Health Rehabilitative Services	5,821,202	19,958,724	(6,483,326)	(6,483,326)	(6,483,326)	9,251,106	9,251,106	9,251,106	9,491,622	9,491,622	9,632,911	9,632,911
Early Intervention & EPSDT-Authorized Services	12,760,169	11,939,499	18,839,770	18,839,770	18,839,770	18,466,824	18,466,824	18,466,824	19,380,312	19,380,312	19,779,612	19,779,612
Long-Term Care Services (45610)	2,159,910,799	2,357,469,987	2,683,252,592	2,683,252,592	2,683,252,592	2,923,382,264	2,923,382,264	2,923,382,264	3,129,936,125	3,129,936,125	3,274,237,927	3,274,237,927
Nursing Facility	136,997,569	193,705,183	254,085,869	254,085,869	254,085,869	268,611,970	268,611,970	268,611,970	284,329,389	284,329,389	295,101,956	295,101,956
Private ICF/Ds	121,257,742	136,363,522	136,866,277	136,866,277	136,866,277	143,644,037	143,644,037	143,644,037	149,475,500	149,475,500	150,618,815	150,618,815
Program of All-Inclusive Care for the Elderly (PACE)	101,140,967	119,681,672	137,222,250	137,222,250	137,222,250	163,073,974	163,073,974	163,073,974	187,570,276	187,570,276	215,096,310	215,096,310
HCBC Waivers: Personal Support	319,976,457	315,199,603	376,290,910	376,290,910	376,290,910	361,501,435	361,501,435	361,501,435	373,379,260	373,379,260	388,320,696	388,320,696
HCBC Waivers: Habilitation	1,325,008,110	1,424,625,902	1,593,125,514	1,593,125,514	1,593,125,514	1,781,455,125	1,781,455,125	1,781,455,125	1,920,315,442	1,920,315,442	2,000,810,056	2,000,810,056
HCBC Waivers: Case Management & Support	81,894,725	80,625,345	86,067,088	86,067,088	86,067,088	90,089,235	90,089,235	90,089,235	91,563,460	91,563,460	93,398,816	93,398,816
HCBC Waivers: Nursing, EM/AT, Adult Day Care, Alzheimer's	73,635,229	85,248,770	99,594,684	99,594,684	99,594,684	115,006,488	115,006,488	115,006,488	123,302,877	123,302,877	130,931,279	130,931,279

