Understanding Medicaid Managed Care In Virginia

Virginia's five (5) Medicaid managed care organizations (MCOs) serve nearly 2 million people.

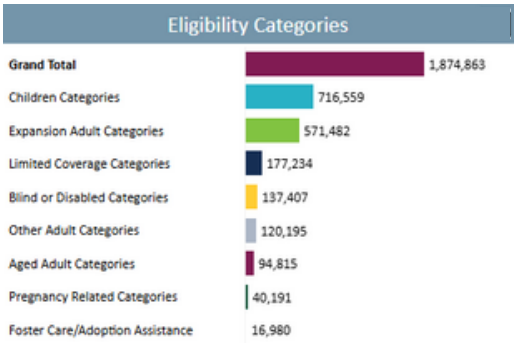
Medicaid MCOs partner with the Department of Medical Assistance Services (DMAS) and assume the risk associated with managing health care costs for the Commonwealth's Medicaid population.

Cardinal Care
Virginia's Medicaid Program

- This partnership, called Cardinal Care, helps make Medicaid program costs more predictable and sustainable.
- Medicaid MCOs work with the state to ensure high quality provider networks offer the best care to Medicaid & FAMIS members.
- Medicaid MCOs work to improve health care outcomes by increasing primary care utilization, reducing hospital readmissions, providing care coordination, and supporting access to prenatal and perinatal care.

MEDICAID MANAGED CARE BASICS

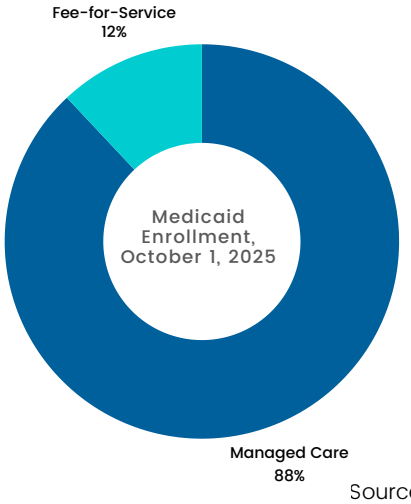
The majority of Medicaid enrollees receive their benefits through Medicaid managed care.



Source: DMAS

Medicaid covers many groups of individuals:

- Infants and children
- Pregnant individuals
- Caretaker adults
- Low-income adults
- Older adults
- Individuals and children with disabilities
- Dual eligibles: individuals with both Medicaid and Medicare



Source: DMAS

The MCOs are required to provide commercial-like benefits plus the following:

- Substance use disorder services (e.g. ARTS program)
- Non-emergency medical transportation
- Community mental health rehabilitation services
- Nursing facility and hospice care

UNDERSTANDING MEDICAID MANAGED CARE IN VIRGINIA

FIVE MCOs OPERATING THE CARDINAL CARE PROGRAM

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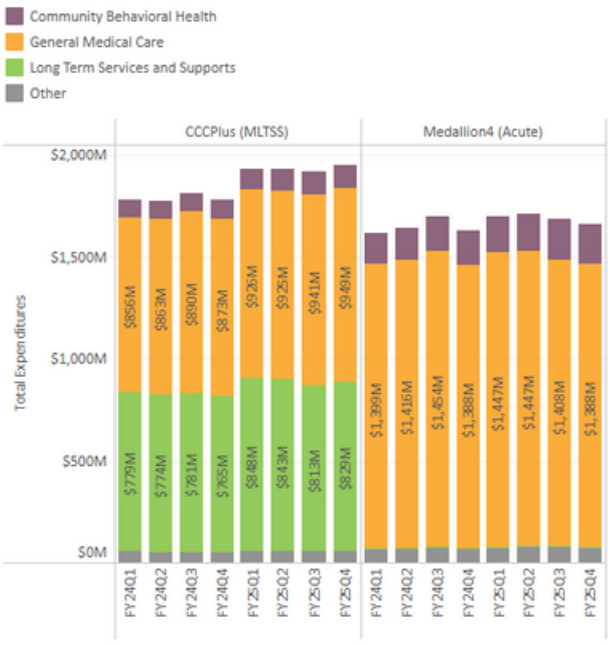
WHAT'S NEXT FOR THE MEDICAID MANAGED CARE PROGRAM?

- DMAS launched Cardinal Care on July 2025. Cardinal Care combines two previous programs -- Medallion 4.0 and CCC Plus program. Medicaid MCOs have worked with DMAS to take on additional care coordination and care management responsibilities under the combined program, actions to maternal and child health outcomes, improve behavioral health care access, and streamline provider credentialing processes.

- DMAS and the Medicaid MCOS are focused on the new requirements outlined in the federal H.R. 1 legislation and through new CMS actions in the Medicaid program. These include implementation of community engagement (i.e. work requirements), twice annual eligibility verification, and other actions designed to reduce federal Medicaid spending. The costs of these changes will have an impact on Medicaid enrollees, but also DMAS operations and costs. The Medicaid MCOs are committed to working alongside DMAS and providers to implement these requirements as directed by the federal government and the General Assembly.

MCO Expenditures



Source: DMAS

- Under current law, DMAS is required to begin administering its prescription drug benefits through one Pharmacy Benefit Manager (PBM or sPBM) on July 1, 2026. The Medicaid MCOs currently administer this benefit through their own PBM vendors and oppose this change. The Medicaid MCOs will be working with DMAS and state policy officials to ensure any transition will minimize patient care disruptions and maintain access. We will continue to monitor the fiscal impact to the state from this change, which dissects pharmacy management from medical services and MCO utilization management.

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