



COMMONWEALTH of VIRGINIA
Office of the Governor

Janet Vestal Kelly
Secretary of Health and Human Resources

July 7, 2025

Todd McMillion
Director
Department of Health and Human Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Dear Mr. McMillion:

Attached for your review and approval is amendment 25 012, entitled "Applicability of the OMB Outpatient All-Inclusive Rate (AIR)" to the Plan for Medical Assistance for the Commonwealth. I request that your office approve this change as quickly as possible.

This is the one of three SPAs that DMAS submitted to CMS that addresses services provided by Indian Health Service (IHS) facilities, including facilities operated by a tribe or tribal organization under a Section 638 Agreement with the IHS. SPA 25-006 amends Section 3.1-A&B specifying the scope of covered clinic services, including tribal clinics. SPA 25-007 amends Section 4.19-B and clarifies those services that DMAS will reimburse at the All-Inclusive Rate (AIR) when provided by an IHS or tribal 638 facility. This third SPA implements a directive from the Virginia General Assembly limiting the applicability of the AIR to tribal facility services eligible for the 100% FMAP. Please note that each has a different effective date.

Sincerely,

A handwritten signature in blue ink that reads "Janet V. Kelly".

Janet V. Kelly

Attachment

cc: Cheryl J. Roberts, Director, Department of Medical Assistance Services
CMS, Region III

Transmittal Summary

SPA 25-012

I. IDENTIFICATION INFORMATION

Title of Amendment: Applicability of the OMB Outpatient All-Inclusive Rate

II. SYNOPSIS

Basis and Authority: The Code of Virginia (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The Code of Virginia (1950) as amended, § 32.1-324, authorizes the Director of the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements.

Purpose: The state plan is being revised to add language that services provided by IHS or tribal clinics or tribal FQHCs not eligible for the federal medical assistance percentage of 100 percent (services provided to individuals who are not American Indians or Alaska Natives) shall be reimbursed at standard Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services).

Substance and Analysis: The section of the State Plan that is affected by this amendment is “Methods and Standards of Establishing Payment Rate – Other Types of Care.”

Impact: The expected decrease in annual aggregate fee-for-service expenditures is \$ (4,222,348) in state general funds, \$ (1,632,635) in state special funds, and \$ (19,086,643) in federal funds in federal fiscal year 2025.

Tribal Notice: Please see attached.

Prior Public Notice: Please see attached.

Public Comments and Agency Analysis: Two comments were submitted objecting to the SPA and requesting that it be withdrawn. While the agency has thoroughly considered these comments, the proposed SPA is a legislative mandate and will be submitted as proposed. The consultation process followed was the approved process set forth in Virginia’s tribal consultation SPA.



Agency Department of Medical Assistance Services

Board Board of Medical Assistance Services

General Notice

Public Notice - Intent to Amend State Plan - Applicability of the OMB Outpatient All-Inclusive Rate

Date Posted: 6/30/2025

Expiration Date: 12/30/2025

Submitted to Registrar for publication: YES

No comment forum defined for this notice.

**LEGAL NOTICE
COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
NOTICE OF INTENT TO AMEND**

(Pursuant to §1902(a)(13) of the *Act (U.S.C. 1396a(a)(13))*)

THE VIRGINIA STATE PLAN FOR MEDICAL ASSISTANCE

This Notice was posted on June 30, 2025

The Virginia Department of Medical Assistance Services (DMAS) hereby affords the public notice of its intention to amend the Virginia State Plan for Medical Assistance to provide for changes to the *Methods and Standards for Establishing Payment Rates — Other Types of Care (12 VAC 30-80)*.

This notice is intended to satisfy the requirements of 42 C.F.R. § 447.205 and of § 1902(a)(13) of the *Social Security Act*, 42 U.S.C. § 1396a(a)(13). A copy of this notice is available for public review from Meredith Lee, DMAS, 600 Broad Street, Suite 1300, Richmond, VA 23219, or via e-mail at: Meredith.Lee@dmas.virginia.gov.

This notice is available for public review on the Regulatory Town Hall (<https://townhall.virginia.gov>) on the General Notices page, found at: <https://townhall.virginia.gov/L/generalnotice.cfm>

In accordance with the 2025 Appropriations Act, Item 288.TTTTT, DMAS will be making the following changes if approved by the federal Centers for Medicare and Medicaid Services:

Methods & Standards for Establishing Payment Rates-Other Types of Care (12 VAC 30-80)

The state plan is being revised to add language that services provided by IHS or tribal clinics or tribal FQHCs that are not eligible for the federal medical assistance percentage of 100 percent (services provided to individuals who are not American Indians or Alaska Natives) shall be reimbursed at standard Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services).

The expected decrease in annual aggregate fee-for-service expenditures is \$ (4,222,348) in state general funds, \$ (1,632,635) in state special funds, and \$ (19,086,643) in federal funds in federal fiscal year 2025.

Contact Information

Name / Title:	Emily McClellan / Policy Division Director
Address:	600 E. Broad Street Richmond, 23219
Email Address:	emily.mcclellan@dmas.virginia.gov
Telephone:	(803)371-4300 FAX: (804)786-1680 TDD: (800)343-0634



Tribal Notice - State Plan Amendment

From McClellan, Emily (DMAS) <Emily.McClellan@dmas.virginia.gov>

Date Fri 5/30/2025 2:30 PM

To TribalOffice@MonacanNation.com <tribaloffice@monacannation.com>; Ann Richardson <chiefannerich@aol.com>; Pam Thompson <pamelathompson4@yahoo.com>; rappahannocktrib@aol.com <rappahannocktrib@aol.com>; regstew007@gmail.com <regstew007@gmail.com>; Richard.matens@pamunkey.org <Richard.matens@pamunkey.org>; chief@monacannation.gov <chief@monacannation.gov>; Stephen Adkins <chiefstephenadkins@gmail.com>; bradbybrown@gmail.com <bradbybrown@gmail.com>; Garrett, Tabitha (IHS/NAS/RIC) <tabitha.garrett@ihs.gov>; Kara Kearns <kara.kearns@ihs.gov>; administrator@nansemond.gov <administrator@nansemond.gov>; Information <info@afwellness.com>; info@fishingpointhc.com <info@fishingpointhc.com>; contact@Nansemond.gov <contact@nansemond.gov>; brandon.custalow@mattaponination.com <brandon.custalow@mattaponination.com>; admin@umitribe.org <admin@umitribe.org>; Reels-Pearson, Lorraine (IHS/NAS/AO) <lorraine.reels-pearson@ihs.gov>; Holmes, Remedios (IHS/NAS/RIC) <remedios.holmes@ihs.gov>; Lindsey.Taylor@ihs.gov <lindsey.taylor@ihs.gov>

Cc jessie@culturalheritagepartners.com <jessie@culturalheritagepartners.com>

 2 attachments (437 KB)

Tribal Notice Letter SPA 25-012_5-30-25.pdf; 4.19-B page 7.10 tracked (not showing 25-007 changes as tracked) 5-30-25.pdf;

Dear Tribal Leaders and Indian Health Programs,

Attached is a letter from Virginia Medicaid Director Cheryl Roberts about changes related to reimbursement of Tribal providers. I have also attached the state plan page showing the "tracked" changes.

Please let us know if you have any questions.

Thank you! --Emily McClellan

Emily McClellan
Policy Division Director
Department of Medical Assistance Services
emily.mcclellan@dmas.virginia.gov 804-371-4300
Tuesday - Friday 7:00 am - 5:30 pm
www.dmas.virginia.gov



T Trust	H Health	R Results	I Integrity	V Vision	E Engagement
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DMAS is committed to providing quality health care coverage and services efficiently to qualified Virginians in the Commonwealth.





COMMONWEALTH of VIRGINIA

CHERYL J. ROBERTS
DIRECTOR

Department of Medical Assistance Services

SUITE 1300
600 EAST BROAD STREET
RICHMOND, VA 23219
804/786-7933
800/343-0634 (TDD)
www.dmas.virginia.gov

SUBJECT: Notice of Opportunity for Tribal Consultation – State Plan Amendment related to Applicability of the OMB Outpatient All-Inclusive Rate

Dear Tribal Leader and Indian Health Programs:

This letter is to notify you that the Department of Medical Assistance Services (DMAS or the Department) is planning to submit to the Centers for Medicare and Medicaid Services (CMS) a proposed amendment to the Virginia State Plan for Medical Assistance. Prior to submitting to CMS, DMAS is providing notice and an opportunity to comment in accordance with the Department's approved State Plan Amendment (SPA) on Tribal Consultation.

The proposed SPA would comply with the requirements of the 2025 Virginia Appropriations Act, [Item 288.TTTTT](#), which requires DMAS to seek approval from CMS to amend the State Plan to reflect that services provided by IHS or tribal clinics or tribal FQHCs that are not eligible for the federal medical assistance percentage of 100 percent (services provided to individuals who are not American Indians or Alaska Natives) shall be reimbursed at standard Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services).

The tribal consultation period for this proposed SPA is open through June 29, 2025. Although our consultation SPA provides a 15-day period for consultation related to a SPA based on a legislative mandate, we are providing a 30-day time period. You may submit your comments directly to Emily McClellan, DMAS Policy Division, by phone (804) 371-4300, or via email: Emily.McClellan@dmas.virginia.gov. Finally, if you prefer regular mail you may send your comments or questions to:

Virginia Department of Medical Assistance Services
Attn: Emily McClellan
600 East Broad Street
Richmond, VA 23219

Please forward this information to any interested party.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl J. Roberts".

Director

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE- OTHER TYPES OF CARE

listed in Section A.3 above for Tribal 638 clinics. The APM is the IHS OMB outpatient per visit all-inclusive rate (AIR). The APM/AIR rate is paid for up to five face-to-face encounters/visits per Medicaid beneficiary per day. The per visit rate is a bundled, all-inclusive rate based on a face-to-face visit and must not be unbundled and billed as separate encounter claims. Pharmacy, transportation, and 1915(c) waiver services such as personal care are not considered facility services and will not be reimbursed at the all-inclusive APM/AIR rate. If it so qualifies, the tribal provider may enroll and operate as one or more of these provider types and receive the reimbursement rate that aligns with the relevant provider type.

Dental services provided by Tribal FQHCs are reimbursed through the APM established at Att. 4.19-B, pages 4.6-4.7.

2. Virginia Medicaid will establish a Prospective Payment System (PPS) methodology for the Tribal FQHC so that the Agency can determine on an annual basis that the published, all-inclusive rate results in payment to the Tribal FQHC of an amount which is at least equal to the PPS payment rate. The PPS rate will be established by reference to the current rate applicable to one or more non-Tribal FQHCs in the same or adjacent areas with similar caseloads. If such a non-Tribal FQHC is not available, the PPS rate will be established by reference to the current rate applicable to one or more non-Tribal FQHCs in the same or adjacent areas with a similar scope of services. If there is no non-Tribal FQHC in the same or adjacent area with similar caseloads or similar scope of services, the PPS rate will be based on an average rate of non-Tribal FQHCs throughout the state. The Tribal facility would not be required to report its costs for the purposes of establishing a PPS rate. The APM is effective for services provided on and after February 24, 2021.

3. The individual Tribal FQHC must agree to receive the APM.

C. Applicability

Reimbursement described in Sections A and B above are available only for services provided to American Indians and Alaska Natives eligible for a federal medical assistance percentage of 100 percent. Any other services provided by IHS or tribal clinics or tribal FQHCs not eligible for the federal medical assistance percentage of 100 percent shall be reimbursed at standard Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services).

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Secretary of Health and Human Resources

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE- OTHER TYPES OF CARE

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