COMMONWEALTH of VIRGINIA
Office of the Governor

Marvin B. Figueroa
Secretary of Health and Human Resources

August 10, 2026

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 26-009, entitled "State and Local Hospitalization Program" to the Plan for Medical Assistance for the Commonwealth. I request that your office approve this change as quickly as possible.

Sincerely,

Marvin B. Figueroa

Attachment

cc: Steve Ford, Director, Department of Medical Assistance Services
CMS, Region III

Transmittal Summary

SPA 26-009

I. IDENTIFICATION INFORMATION

Title of Amendment: State and Local Hospitalization Program

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: In accordance with House Bill 817 and Senate Bill 736 of the 2026 General Assembly session, this SPA will remove reference to the State and Local Hospitalization Program because the program has been repealed. Using state and local funding, the program was designed to cover inpatient and outpatient medical costs for low-income, indigent, or uninsured individuals who did not qualify for Medicaid.

Substance and Analysis: The section of the State Plan that is affected by this amendment is "Methods and Standards for Establishing Payment Rates — Inpatient Services".

Impact: None.

Tribal Notice: Please see attached.

Prior Public Notice: Please see attached.

Public Comments and Agency Analysis: Please see attached.

Outlook

Tribal Notification

From Williams, Jimeequa (DMAS) <Jimeequa.Williams@dmas.virginia.gov>

Date Wed 7/22/2026 2:29 PM

To TribalOffice@MonacanNation.com <TribalOffice@monacannation.com>; Ann Richardson <chiefannerich@aol.com>; Pamelathompson4@yahoo.com <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>; chiefstephenadkins@gmail.com <chiefstephenadkins@gmail.com>; bradbybrown@gmail.com <bradbybrown@gmail.com>; tabitha.garrett@ihs.gov <tabitha.garrett@ihs.gov>; administrator@nansemond.gov <administrator@nansemond.gov>; info@afwellness.com <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>; lorraine.reels-pearson@ihs.gov <lorraine.reels-pearson@ihs.gov>; remedios.holmes@ihs.gov <remedios.holmes@ihs.gov>; lindsey.taylor@ihs.gov <lindsey.taylor@ihs.gov>; joni.lyon@ihs.gov <joni.lyon@ihs.gov>; Howard, Joanne <Joanne.howard@cit-ed.org>; Chief@Nansemond.gov <Chief@Nansemond.gov>; AssistantChief@Nansemond.gov <AssistantChief@Nansemond.gov>; steven.tupponce@umithealth.com <steven.tupponce@umithealth.com>; owen.adams@umitribe.gov <owen.adams@umitribe.gov>; Jennifer.Floor@ihs.gov <Jennifer.Floor@ihs.gov>

1 attachment (56 KB)

Tribal Notice letter (7.21.26) - signed.docx;

Good afternoon.

Dear Tribal Leaders and Indian Health Programs:

Attached is a Tribal Notice letter from Virginia Medicaid's Director, Steve Ford, indicating that the Dept. of Medical Assistance Services (DMAS) plans to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services (CMS) regarding the State and Local Hospitalization Program.

If you would like a copy of the SPA documents or proposed text changes, or if you have any questions, please let us know.

Thank you.
-J. Williams

Jimeequa Williams
Regulatory Coordinator
Policy Division
Department of Medical Assistance Services
Hours: 7:30 a.m. - 5:00 p.m. (Monday-Thursday); 7:30 a.m. - 11:30 a.m. (Friday)
jimeequa.williams@dmas.virginia.gov

(804) 225-3508
www.dmas.virginia.gov

COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

STEVE FORD
DIRECTOR

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

July 21, 2026

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to the State and Local Hospitalization Program.

Dear Tribal Leader and Indian Health Programs:

This letter is to notify you that the Department of Medical Assistance Services (DMAS) is planning to amend the Virginia State Plan for Medical Assistance with the Centers for Medicare and Medicaid Services (CMS). Specifically, DMAS is providing you notice about a State Plan Amendment (SPA) that the Agency will file with CMS. In accordance with House Bill 817 and Senate Bill 736 of the 2026 General Assembly session, this SPA will remove reference to the State and Local Hospitalization Program because the program has been repealed. Using state and local funding, the program was designed to cover inpatient and outpatient medical costs for low-income, indigent, or uninsured individuals who did not qualify for Medicaid.

We realize that the changes in this SPA may impact Medicaid members and providers, including tribal members and providers. Therefore, we encourage you to let us know if you have any comments or questions. The tribal comment period for this SPA is open through August 22, 2026. You may submit your comments directly to Jimeequa Williams, DMAS Policy Division, by phone (804) 225-3508, or via email: Jimeequa.Williams@dmas.virginia.gov. Finally, if you prefer regular mail you may send your comments or questions to:

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

Please forward this information to any interested party.

Sincerely,

Steve Ford
Director

Agency Department of Medical Assistance Services

Board Board of Medical Assistance Services

Edit Notice

General Notice

Public Notice: Intent to Amend State Plan - State and Local Hospitalization Program

Date Posted: 5/29/2026

Expiration Date: 11/29/2026

Submitted to Registrar for publication: YES

30 Day Comment Forum closed. Began on 5/29/2026 and ended 6/28/2026

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 May 29, 2026

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 — In-Patient Hospital Care (12 VAC 30-70)*.

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.

DMAS is specifically soliciting input from stakeholders, providers and beneficiaries, on the potential impact of the proposed changes discussed in this notice. Comments or inquiries may be submitted, in writing, within 30 days of this notice publication to Meredith Lee and such comments are available for review at the same address. Comments may also be submitted, in writing, on the Town Hall public comment forum attached to this notice.

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

Methods & Standards for Establishing Payment Rates-In-Patient Hospital Care (12 VAC 30-70)

In accordance with House Bill 817 and Senate Bill 736 of the 2026 General Assembly session, DMAS is revising the state plan to remove reference to the State/Local Hospitalization Program because the program has been repealed.

There is no expected increase or decrease in annual aggregate expenditures.

Contact Information

Name / Title:	Meredith Lee / *Policy Supervisor*
Address:	600 E. Broad St., Suite 1300 Richmond, 23219
Email Address:	**Meredith.Lee@dmas.virginia.gov**
Telephone:	(804)371-0552 FAX: (804)786-1680 TDD: (800)343-0634

This general notice was created by Meredith Lee on 05/29/2026 at 6:58am

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT SERVICES

"Medicaid utilization percentage" is equal to the hospital's total Medicaid inpatient days divided by the hospital's total inpatient days for a given hospital fiscal year. The Medicaid utilization percentage includes days associated with inpatient hospital services provided to Medicaid patients but reimbursed by capitated managed care providers. This definition includes all paid Medicaid days and non-paid/denied Medicaid days to include medically unnecessary days, inappropriate level of care service days, and days that exceed any maximum day limits (with appropriate documentation). The definition of Medicaid days does not include any general assistance, Family Access to Medical Insurance Security (FAMIS), ~~State and Local Hospitalization (SLH)~~, charity care, low-income, indigent care, uncompensated care, bad debt, or Medicare dually eligible days. It does not include days for newborns not enrolled in Medicaid during the fiscal year even though the mother was Medicaid eligible during the birth. Effective July 1, 2014, the definition for Medicaid utilization percentage is defined in Attachment 4.19-A, page 10.1 ~~(12 VAC 30-70-301 B)~~.

"Medicare wage index" and the "Medicare geographic adjustment factor" are published annually in the Federal Register by the Health Care Financing Administration. The indices and factors used in this article shall be those in effect in the base year.

"Operating cost-to-charge ratio" equals the hospital's total operating costs, less any applicable operating costs for a psychiatric DPU, divided by the hospital's total charges, less any applicable charges for a psychiatric DPU. The costs shall be calculated by multiplying the per diems and ancillary cost-to-charge ratios from each hospital's cost report ending in the state fiscal year used as the base year to the corresponding days and ancillary charges by revenue code for each hospital's groupable cases.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0009

2. STATE: VA

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
7/1/2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 447, Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 0
b. FFY 2027 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, revised page 3.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Same as box #7.

9. SUBJECT OF AMENDMENT
State and Local Hospitalization Program

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
Steve Ford

13. TITLE
Agency Director

14. DATE SUBMITTED
07/21/2026

15. RETURN TO
Department of Medical Assistance Services
600 East Broad Street, #1300
Richmond VA 23219

Attn: Regulatory Coordinator

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

Instructions on Back

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

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