COMMONWEALTH of VIRGINIA

Office of the Governor

Marvin B. Figueroa
Secretary of Health and Human Resources

July 28, 2026

Courtney Miller
Director
CMS/Center for Medicaid & CHIP Services
Medicaid & CHIP Operations Group
601 E. 12th St., Room 355
Kansas City, MO 64106

Dear Ms. Miller:

Attached for your review and approval is amendment 26-010, entitled "Inpatient and Outpatient Coverage" 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

Transmittal Summary

SPA 26-010

I. IDENTIFICATION INFORMATION

Title of Amendment: Inpatient and Outpatient Coverage

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: This is a clean-up SPA that will make the following changes:

- Move inpatient rehabilitation services text on pages 29 and 29.0.1 to pages 4.4 and 4.4a, which is the end of the inpatient section of the state plan, and change the reference 42 CFR 440.110 to 42 CFR 440.10 because inpatient rehabilitation services are covered under the inpatient benefit.

- Add text to the bottom of page 4.4a that will provide a clean break between the inpatient and outpatient coverage language in the state plan.

Substance and Analysis: The section of the State Plan that is affected by this amendment is "Amount, Duration, and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy and Medically Needy"

Impact: None.

Tribal Notice: Please see attached.

Prior Public Notice: N/A.

Public Comments and Agency Analysis: N/A.

Outlook

Tribal Notice – Cleaning Up Language Related to Inpatient and Outpatient Coverage

From Lee, Meredith (DMAS) <Meredith.Lee@dmas.virginia.gov>

Date Thu 6/25/2026 11:16 AM

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>; Kara.Kearns@ihs.gov <Kara.Kearns@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 (172 KB)

DMAS Director Steve Ford approved and signed 06.25.2026 Tribal Notice Letter.pdf;

Dear Tribal Leaders and Indian Health Programs:

Attached is a Tribal Notice letter from Virginia Medicaid Director Steve Ford indicating that the Department of Medical Assistance Services (DMAS) plans to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services to clean up some language in the state plan related to inpatient and outpatient coverage. Specifically, the SPA will:

- Move inpatient rehabilitation services text on pages 29 and 29.0.1 to pages 4.4 and 4.4a, which is the end of the inpatient section of the state plan, and change the reference 42 CFR 440.110 to 42 CFR 440.10 because inpatient rehabilitation services are covered under the inpatient benefit.

- Add text to the bottom of page 4.4a that will provide a clean break between the inpatient and outpatient coverage language in the state plan.

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! -- Meredith Lee

Meredith Lee
Policy, Regulations, and Manuals Supervisor

Policy Division
Department of Medical Assistance Services
meredith.lee@dmas.virginia.gov, (804) 371-0552
Hours: 7:00 am - 3:30 pm (Monday-Friday)
www.dmas.virginia.gov

COMMONWEALTH of VIRGINIA

STEVE FORD
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

06/25/2026

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to Inpatient and Outpatient Coverage.

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 order to make the following clean-up changes:

- Move inpatient rehabilitation services text on pages 29 and 29.0.1 to pages 4.4 and 4.4a, which is the end of the inpatient section of the state plan, and change the reference 42 CFR 440.110 to 42 CFR 440.10 because inpatient rehabilitation services are covered under the inpatient benefit.

- Add text to the bottom of page 4.4a that will provide a clean break between the inpatient and outpatient coverage language in the state plan.

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 July 25, 2026. You may submit your comments directly to Meredith Lee, DMAS Policy Division, by phone (804) 371-0552, or via email: Meredith.Lee@dmas.virginia.gov. Finally, if you prefer regular mail you may send your comments or questions to:

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

Please forward this information to any interested party.

Sincerely,

Steve Ford
Director

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of VIRGINIA

AMOUNT, DURATION, AND SCOPE OF MEDICAL
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY
and MEDICALLY NEEDY

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Rehabilitative services provided in accordance with 42 CFR § 440.10.

A. Intensive physical rehabilitation:

1. Medicaid covers intensive inpatient rehabilitation services as defined in §A.4 in facilities certified as rehabilitation hospitals or rehabilitation units in acute care hospitals which have been certified by the Department of Health to meet the requirements to be excluded from the Medicare Prospective Payment System.

2. Medicaid covers intensive outpatient physical rehabilitation services as defined in §A.4 in facilities which are certified as Comprehensive Outpatient Rehabilitation Facilities (CORFs).

3. These facilities are excluded from the 21 day limit otherwise applicable to inpatient hospital services. Cost reimbursement principles are defined in Attachment 4.19-A.

4. An intensive physical rehabilitation program provides intensive skilled rehabilitation nursing, physical therapy, occupational therapy, and, if needed, speech-language pathology, cognitive rehabilitation, prosthetic-orthotic services, psychology, social work, and therapeutic recreation. The nursing staff must support the other disciplines in carrying out the activities of daily living, utilizing correctly the training received in therapy and furnishing other needed nursing services. The day-to-day activities must be carried out under the continuing direct supervision of a physician with special training or experience in the field of physical medicine and rehabilitation.

5. Nothing in this regulation is intended to preclude DMAS from negotiating individual contracts with in-state intensive physical rehabilitation facilities for those individuals with special intensive rehabilitation needs.

6. To receive continued intensive rehabilitation services, the patient must demonstrate an ability to actively participate in goal-related therapeutic interventions developed by the interdisciplinary team. This shall be evidenced by regular attendance in planned activities and demonstrated progress toward the established goals.

7. Intensive rehabilitation services shall be considered for termination regardless of the preauthorized length of stay when any of the following conditions are met:

   a. No further potential for improvement is demonstrated. The patient has reached his maximum progress and a safe and effective maintenance program has been developed.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR LONG-TERM CARE

b. There is limited motivation on the part of the individual or caregiver.

c. The individual has an unstable condition that affects his or her ability to participate in rehabilitative plan.

d. Progress toward an established goal or goals cannot be achieved within a reasonable period of time.

e. The established goal serves no purpose to increase meaningful functional or cognitive capabilities.

f. The service can be provided by someone other than a skilled rehabilitation professional.

2a. Outpatient services.

A. Outpatient services are covered in accordance with 42 CFR 440.20.

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~~13d. Rehabilitative services provided in accordance with 42 CFR § 440.110. (12 VAC 30-50-225)~~

~~A. Intensive physical rehabilitation:~~

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b. ~~There is limited motivation on the part of the individual or caregiver.~~

c. ~~The individual has an unstable condition that affects his or her ability to participate in rehabilitative plan.~~

d. ~~Progress toward an established goal or goals cannot be achieved within a reasonable period of time.~~

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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 — 0010

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 440

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 3.1A&B,Supplement 1, revised pages 4.4, 29, and 29.01, and new page 4.4a

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

9. SUBJECT OF AMENDMENT
Inpatient and Outpatient Coverage

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
Director

14. DATE SUBMITTED
06/25/2026

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

Attn: Policy Supervisor

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

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