

Table of Contents

State/Territory Name: Virginia

State Plan Amendment (SPA)#: VA-26-0019

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Medicaid Benefits and Health Programs Group

October 2, 2026

Steven Ford, Director
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Dear Director Steven Ford,

The Centers for Medicare & Medicaid Services (CMS) Division of Pharmacy team has reviewed Virginia's State Plan Amendment (SPA) 26-0019 received in the CMS Medicaid Services OneMAC application on August 28, 2026. This SPA proposes to allow the state to enter into value/outcomes-based contracts between the state and the drug manufacturer for drugs provided to Medicaid beneficiaries.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that the SPA is approved with an effective date of October 1, 2026. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Virginia's state plan. If you have any questions regarding this amendment, please contact Porscha Brink at (202) 260-4025 or Porscha.brink@cms.hhs.gov.

Sincerely,

Melissa L.
Harris -S

Digitally signed by
Melissa L. Harris -S
Date: 2026.10.02
14:02:40 -04'00'

Melissa Harris
Acting Director
Medicaid Benefits and Health Programs
Group

cc: Emily McClellan, Policy Division Director, DMAS
Meredith Lee, Policy, Regulations, Manuals Supervisor, DMAS
Margaret Kosherzenko, State Lead, Medicaid and CHIP Operations Group, CMS

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

1. TRANSMITTAL NUMBER

2 6 — 0 0 1 9

2. STATE

V A

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL

SECURITY ACT ☒ XIX ☐ XXI

4. PROPOSED EFFECTIVE DATE

10/1/2026

TO: CENTER DIRECTOR

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

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2027 \$ 0b. FFY 2028 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1A&B, Supplement 1, revised page 26.18. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Same as box #7.

9. SUBJECT OF AMENDMENT

~~CMS authorized a Supplemental Rebate Agreem't between VA & the drug manufacturer for drugs provided to Medicaid members.~~
Effective October 1, 2026, CMS has authorized the Commonwealth of Virginia to enter into value/outcomes-based contracts with manufacturers on a voluntary basis.

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

07/28/2026

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

08/28/2026

17. DATE APPROVED

10/02/2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

10/01/2026

19. SIGNATURE OF APPROVING OFFICIAL

Melissa L.

Harris -S

Digitally signed by

Melissa L. Harris -S

Date: 2026.10.02

14:03:12 -04'00'

20. TYPED NAME OF APPROVING OFFICIAL

Melissa Harris

21. TITLE OF APPROVING OFFICIAL

Acting Director, Medicaid Benefits and Health Program Group

22. REMARKS

***09/29/2026 - The state authorized a Pen & Ink change to Box 9 to update the subject of amendment.**

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**

- e. State supplemental rebates. The Department has the authority to seek supplemental rebates from pharmaceutical manufacturers. In addition to collecting supplemental rebates for fee-for-service claims, the Department may, at its option, also collect supplemental rebates for Medicaid Member utilization through MCOs under an agreement. Supplemental rebate agreements shall be separate from the federal rebates and in compliance with federal law, §§ 1927(a)(1) and 1927(a)(4) of the *Social Security Act* (Act). All rebates collected on behalf of the Commonwealth shall be collected for the sole benefit of the state share of the costs.
- f. Effective October 1, 2026, CMS has authorized the Commonwealth of Virginia to enter into value/outcomes-based contracts with manufacturers on a voluntary basis.
- g. Pursuant to 42 U.S.C. § 1396r-8(b)(3)(D), information disclosed to the Department or to the Committee by a pharmaceutical manufacturer or wholesaler which discloses the identity of a specific manufacturer or wholesaler and the pricing information regarding the drugs by such manufacturer or wholesaler is confidential and shall not be subject to the disclosure requirements of the Virginia Freedom of Information Act ([§2.2-3700 et seq.](#) of the Code of Virginia).
- h. Appeals for denials of prior authorization shall be addressed pursuant to 12VAC30-110, Part I, Client Appeals.

12b. Dentures.

- A. Medically necessary dentures, partials, and repair procedures are subject to service authorization and are covered under EPSDT for individuals under the age of 21.

Individuals aged 21 and over may receive coverage for medically necessary dentures, partials, and repair procedures only as a part of a definitive treatment plan, after a course of preventive and periodontal maintenance treatment, and after service authorization.