



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 26-017, entitled "Nursing Facility Value-Based Payment Updates" to the Plan for Medical Assistance for the Commonwealth. I request that your office approve this change as quickly as possible.

Sincerely,

A handwritten signature in black ink, enclosed within an oval border. The signature appears to be "M. B. Figueroa".

Marvin B. Figueroa

Attachment

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

Transmittal Summary

SPA 26-017

I. IDENTIFICATION INFORMATION

Title of Amendment: Nursing Facility Value-Based Payment Updates

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 the 2026 Appropriation Act, Item 291.LLL2, the state plan is being revised to indicate that nursing facility value-based program funding is restricted to facilities demonstrating sufficiently high quality of care as determined by the department. Facilities failing to meet quality of care standards, including facilities under complaint surveys due to major quality or safety issues can be found ineligible for value-based payment enhanced funds for a period determined by the department. Special Focus Facilities (SFF) are barred from receiving VBP rewards until they successfully graduate from SFF status.

Updates are also being made to address outdated website links and to streamline text related to the program year and performance measures.

Substance and Analysis: The section of the State Plan that is affected by this amendment is “Methods and Standards for Establishing Payment Rates for Long-Term Care.”

Impact: There is no expected increase or decrease in annual aggregate fee-for-service expenditures as a result of these changes.

Tribal Notice: Please see attached.

Prior Public Notice: Please see attached.

Public Comments and Agency Analysis: DMAS received three comments on the SPA. Two suggested changes to the nursing facility value-based purchasing program's methodology. The third comment contained comments about a specific nursing facility. DMAS has thoroughly considered every comment submitted and has decided to proceed with the SPA without any changes.



Outlook

Tribal Notice – Nursing Facility Value-Based Payment Updates

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

Date Fri 7/24/2026 3:11 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>; Holmes, Remedios (IHS/NAS/RIC) <remedios.holmes@ihs.gov>; Lindsey.Taylor@ihs.gov <lindsey.taylor@ihs.gov>; Lyon, Joni (IHS/NAS/AO) <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 (177 KB)

Tribal Notice Letter 7-24-26, signed by SFord.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 make nursing facility value-based payment updates.

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@dmass.virginia.gov, (804) 371-0552
Hours: 7:00 am - 3:30 pm (Monday-Friday)
www.dmass.virginia.gov



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CardinalCare
Virginia's Medicaid Program

DMAS is committed to providing quality health care coverage and services efficiently to qualified Virginians in the Commonwealth.



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 24, 2026

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to Nursing Facility Value-Based Payment Updates.

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 the 2026 Appropriation Act, Item 291.LLL.2, which will revise the state plan to indicate that nursing facility value-based program funding is restricted to facilities demonstrating sufficiently high quality of care as determined by the department. Facilities failing to meet quality of care standards, including facilities under complaint surveys due to major quality or safety issues can be found ineligible for value-based payment enhanced funds for a period determined by the department. Special Focus Facilities (SFF) will be barred from receiving VBP rewards until they successfully graduate from SFF status. Updates are also being made to address outdated website links and to streamline text related to the program year and performance measures.

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 23, 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,

A handwritten signature in blue ink, appearing to read "S Ford".

Steve Ford
Director



VIRGINIA
REGULATORY TOWN HALL

Agency

Department of Medical Assistance Services

Board

Board of Medical Assistance Services

[Edit Notice](#)

General Notice

Public Notice - Intent to Amend State Plan - Nursing Facility Value-Based Payment Updates

Date Posted: 7/31/2026

Expiration Date: 1/31/2027

Submitted to Registrar for publication: YES

[30 Day Comment Forum](#) is underway. Began on 7/31/2026 and will end on 8/30/2026

**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 July 31, 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 – Long-Term Care* (12 VAC 30-90).

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@dmass.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 and Standards for Establishing Payment Rates for Long-Term Care (12 VAC 30-90)

In accordance with the 2026 Appropriation Act, Item 291.LLL.2, the state plan is being revised to indicate that nursing facility value-based program funding is restricted to facilities demonstrating sufficiently high quality of care as determined by the department. Facilities failing to meet quality of care standards, including facilities under complaint surveys due to major quality or safety issues can be found ineligible for value-based payment enhanced funds for a period determined by the department. Special Focus Facilities (SFF) are barred from receiving VBP rewards until they

successfully graduate from SFF status. Updates are also being made to address outdated website links and to streamline text related to the program year and performance measures.

There are no expected increases or decreases in annual fee-for-service aggregate expenditures as a result of these changes.

Contact Information

Name / Title:	Meredith Lee / <i>Policy Supervisor</i>
Address:	600 East Broad Street Richmond, 23219
Email Address:	<u>Meredith.Lee@dmass.virginia.gov</u>
Telephone:	(804)371-0552 FAX: (804)768-1680 TDD: (800)343-0634

This general notice was created by Meredith Lee on 07/31/2026 at 5:50am

This general notice was last modified by Meredith Lee on 07/31/2026 at 5:50am

An official website [Here's how you know](#) ▼[Find a Commonwealth Resource](#)

VIRGINIA

REGULATORY TOWN HALL

Public comment forums

Make your voice heard! Public comment forums allow all Virginia's citizens to participate in making and changing our state regulations.

[See our Public Comment Policy](#)

Currently showing **46** comment forums closed within the last 21 days

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Petitions for Rulemaking ()

General Notices (3)

Board of Medical Assistance Services

[View
Comments](#)

Public Notice - Intent to Amend State Plan - Nursing Facility Value-Based Payment Updates

[General Notice](#)

Public Notice - Intent to Amend State Plan - Nursing Facility Value-Based Payment Updates

Closed: 8/30/26 3 comments

Last comment: 8/30/26 1:11 pm

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

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

Subpart XVII Value-Based Purchasing Program

A. Nursing Facility Value-Based Purchasing Program

1. The nursing facility (NF) Value-Based Purchasing (VBP) program seeks to improve the quality and outcomes of care furnished to Medicaid members by enhancing performance accountability in specific areas to include staffing and avoidance of negative care events.
2. Complete details including technical information regarding program eligibility, performance measures, performance thresholds and payments are available on the Agency's website at the following address: <https://www.dmas.virginia.gov/data-reporting/value-based-purchasing/> ~~<https://www.dmas.virginia.gov/about-us/value-based-purchasing/>~~ and are effective beginning July 1, 2023.
3. The program methodology will be updated for each program year.

B. Payment Structure to Nursing Facilities

1. Virginia Medicaid will distribute performance-based funding based on NF attainment of performance thresholds and improvement on specific performance measures (PMs). Per diem values will be established for the performance attainment thresholds of each PM. The size of PM payments will be contingent on NF performance in meeting thresholds and improvements between each program year across the measures.
2. Eligible NFs will receive lump sum payments in March/April and May/June for PM payments. Virginia Medicaid will distribute lump sum payments to eligible NFs based on their PM performance no later than the end of the fourth quarter of the state fiscal year corresponding to the relevant performance period. DMAS shall ensure that program funding is restricted to facilities demonstrating sufficiently high quality of care as determined by the department. Facilities failing to meet quality of care standards, including facilities under complaint surveys due to major quality or safety issues can be found ineligible for value-based payment enhanced funds for a period determined by DMAS. Facilities categorized as a Special Focus Facility (SFF) or SFF candidates by the Centers for Medicare and Medicaid Services (CMS) as of the end of the performance period will not be eligible for program funding.
3. Funding for the NF VBP program will be distributed to eligible FFS NFs based on Virginia Medicaid's established program methodology, ~~available on the Agency's website at the following address: <https://www.dmas.virginia.gov/about-us/value-based-purchasing/>~~. No

TN No. 23-0017

Approval Date November 8, 2023

Effective Date 7-1-2023

Supersedes

TN No. 22-0007

payments will be made that exceed the total available funding for the program.

C. Performance Measure Assessment

1. Virginia Medicaid will evaluate performance measures over a twelve (12) month period for each program year, beginning October 1 of each year and ending September 30 of the next year for each program year.
2. ~~The program methodology will be updated for each program year and will outline the evaluated performance measures, performance and improvement thresholds, per diem values for each threshold and additional information. The methodology can be found on the Agency's website at the following address: <https://www.dmas.virginia.gov/about-us/value-based-purchasing/>.~~
3. ~~Virginia Medicaid will select PMs that are standard reporting for Virginia's NFs through the Centers for Medicare & Medicaid Services' (CMS') Minimum Data Set (MDS), Nursing Home (NH) Compare claims-based quality measures and Payroll Based Journal (PBJ) NF staffing measures and data.~~

**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 RATES FOR LONG-TERM CARE

**Subpart XVII
Value-Based Purchasing Program**

A. Nursing Facility Value-Based Purchasing Program

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3. The program methodology will be updated for each program year.

B. Payment Structure to Nursing Facilities

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3. Funding for the NF VBP program will be distributed to eligible FFS NFs based on Virginia Medicaid's established program methodology. No payments will be made that exceed the total available funding for the program.

C. Performance Measure Assessment

1. Virginia Medicaid will evaluate performance measures over a twelve (12) month period for each program year.

TN No. 26-0017

Approval Date

Effective Date 9-1-2026

Supersedes

TN No. 23-0017