

## **Table of Contents**

**State/Territory Name: VA**

**State Plan Amendment (SPA): VA-24-0009**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
230 South Dearborn Street  
Chicago, Illinois 60604



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**Financial Management Group**

April 17, 2026

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

RE: TN 24-0009

Dear Director Ford:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Virginia's state plan amendment (SPA) to Attachment 4.19-B of 24-0009, which was submitted to CMS on November 8, 2024. This plan amendment implements supplemental payments for private hospitals.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of October 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Jerica Bennett at 410-786-1167 or via email at [jerica.bennett@cms.hhs.gov](mailto:jerica.bennett@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 9

2. STATE

V A

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

10/1/2024

5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447  
and 1905(a)(5)(A) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 2,346,903  
b. FFY 2026 \$ 2,311,462

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B, new page 7.1.2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

N/A

9. SUBJECT OF AMENDMENT

Supplemental Payments to Private Hospitals for Physician Services

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  
Cheryl J. Roberts

13. TITLE  
Agency Director

14. DATE SUBMITTED  
10/08/24

15. RETURN TO

Department of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond VA 23219

Attn: Policy, Regulations, and Manuals Supervisor

**FOR CMS USE ONLY**

16. DATE RECEIVED  
11/08/2024

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
10/01/2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

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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20. Supplemental Payment for physicians associated with private hospitals and related health systems for the purpose of enhancing access, stabilizing workforce and meeting other department quality goals.

1. Qualifying Criteria

Physician practice plans that are a component of a private health systems, as specified in 2 below, will qualify for supplemental payments for services rendered to Medicaid recipients. To qualify for the supplemental payment, the hospital system must be private and meet one of the following criteria:

- a. Physicians employed by or contracted by a private acute care type 2 hospital system with at least one level 2 trauma center as of January 2022 located in Lord Fairfax Health District and Northwest Health Planning Region.
- b. Physicians employed by or contracted with a private acute care type 2 hospital system with at least one level 2 trauma center as of January 2022 with at least 290 beds in cost report period 2020 located in the Eastern Health Planning Region.
- c. Physicians employed by or contracted with an acute care hospital chain with a level one trauma center in the Tidewater Metropolitan Statistical Area (MSA) in 2020.
- d. Physicians employed by or contracted with an acute care type 2 hospital system with a hospital located in the Lenowisco Health District.
- e. Physicians employed by or contracted with an acute care type 2 hospital system with a level one trauma center as of January 2022 with over 450 beds as of the 2020.

2. Qualifying Practitioner Types

Physicians

3. Payment Methodology

The supplemental payment amount shall be the difference between the Medicaid payments otherwise made for physician services and the Medicare equivalent of the average commercial rate (ACR) percentage times the Medicare rates. The methodology for determining the Medicare Equivalent of the Average Commercial Rate is described in Supplement 6, Attachment 4.19-B.

4. Effective Date of Payment

The supplemental payment will be made effective for services paid on or after October 1, 2024. Supplemental payments shall be made quarterly, no later than 90 days after the end of the quarter.