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State/Territory Name: VA

State Plan Amendment (SPA) #: 26-0017

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

October 28, 2026

Steve Ford, Agency Director
Department of Medical Assistance Services
600 East Broad St, #1300
Richmond, VA 23219

RE: TN 26-0017

Dear Agency Director Ford:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Virginia state plan amendment (SPA) to Attachment 4.19-D VA 26-0017, which was submitted to CMS on August 31, 2026. This plan amendment is 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.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 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 September 1, 2026. 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 Kristina Mack at 617-565-1225 or via email at Kristina.Mack-Webb@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER

2 6 — 0 0 1 7

2. STATE

V A3. 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

9/1/2026

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 438.6(c)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026\$ 0b. FFY 2027\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, Supplement 1, page 58

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Same as box #7.

9. SUBJECT OF AMENDMENT

Nursing Facility Value-Based Payment Updates

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 Ford13. TITLE
Agency Director14. DATE SUBMITTED
07/24/2026

15. RETURN TO

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

Attn: Policy Supervisor

FOR CMS USE ONLY16. DATE RECEIVED
August 31, 202617. DATE APPROVED
October 28, 2026**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

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

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/> and are effective beginning September 1, 2026.
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. Effective September 1, 2026, 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. 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 October 28, 2026

Effective Date 9-1-2026

Supersedes

TN No. 23-0017