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VHHA in Action

Each day, VHHA actively works on behalf of its members, their employees, and Virginians to advance the interests of Virginia's hospitals and health care systems. In the past week, these are some developments of interest to Virginia hospitals and health systems:

VHHA Staff Attends Legislative Money Committee Retreats for Briefings on State Budget Outlook

- Members of the **VHHA Government Relations Team** recently attended meetings of the [Virginia Senate Finance and Appropriations Committee](#) and the [House of Delegates Appropriations Committee](#) held to provide an overview of the Commonwealth's fiscal outlook heading into

2026. The forecast coming out of those meetings held in Radford and Manassas, respectively, was not rosy. Presentations from committee staff, state officials, and economists [reportedly](#) painted a picture of a state economy with slowing growth attributable to factors including federal tariff and domestic spending policy, as well as the impact of AI and data centers on job growth, among other factors. In 2026, the **Virginia General Assembly** and **Governor-elect Abigail Spanberger** will be tasked with updating the two-year state budget to reflect current economic conditions and available resources.

VHHA Encourages Hospital Staff to Consider Applying for Sorensen Political Leaders Program

- As part of its partnership with the **Sorensen Institute for Political Leadership** at the **University of Virginia**, VHHA encourages hospital staff and leaders to apply for the 2026 Political Leaders Program. Applications are being accepted until Dec. 5 under an [extended deadline](#). The 2026 cohort program will run from March-December. Visit this [link](#) for more information and to access the program application. In 2020, VHHA [entered into a partnership with Sorensen](#) to support its programming and help identify health professionals who are strong candidates for the Political Leaders Program. The program draws applicants from across the state and focuses on Virginia politics and governing, policy issues and solutions, regional needs, ethical servant leadership, and efforts to unite the Commonwealth. This program is primarily focused on individuals who are 10-plus years removed from college. Prospective program applicants from VHHA member hospitals or health systems are encouraged to contact VHHA President and CEO **Sean T. Connaughton** at sconnaughton@vhha.com to discuss this opportunity and the ways in which VHHA can support applicants.

News Updates

CMS Issues OPPS Final Rule and Notices on DHS information Sharing, Shutdown Telehealth Claims

The **Centers for Medicare & Medicaid Services** (CMS) recently issued the calendar year (CY) 2026 [final rule](#) that revises Medicare Hospital Outpatient Prospective Payment System (OPPS) and the Medicare Ambulatory Surgical Center (ASC) payment system. The final rule increases the Medicare hospital OPPS rates by 2.6 percent compared to 2025, which includes a 3.3 percent market basket update. Also finalized are provisions related to hospital price transparency, the 340B Drug Program recoupment policy, and payment for drug administration services in grandfathered off-campus hospital outpatient departments, among other policies. CMS also recently issued a [notice](#) indicating that the agency and the **U.S. Department of Health and Human Services** (HHS) will resume the sharing of certain information with the **U.S. Department of Homeland Security** (DHS), and its subsidiary agency, **U.S. Immigration and Customs Enforcement** consistent with federal laws requiring the provision of information to DHS. And CMS [announced](#) that following the end of the federal government shutdown, it will retroactively restore the suspension of statutory provisions that restrict payment for telehealth services provided to beneficiaries in their homes and outside of rural areas.

DOE Draft Regulations Could Impact Access to Loans for Certain Nursing, Health Education Programs

[Draft regulations](#) from the **U.S. Department of Education** (DOE) could impact the future ability of students to take out loans to pay for certain nursing, public health, social work, and allied health education programs. Among other provisions, the One Big Beautiful Bill Act packaged that was approved

this year places limits on how much graduate students can borrow for certain educational programs. The new policies on student loans are set to take effect July 1, 2026. If the draft regulations are implemented, they could impose a more restrictive cap on federal loans for students attending graduate programs in certain professions excluded from the definition of what qualifies as a “professional degree.” The regulations have not been finalized. The [expectation](#) is that the final rule will be released in spring 2026.

CMS Identifies 15 Drugs Subject to Maximum Fair Price Discount Negotiations for Medicare Enrollees

This week, the **Centers for Medicare & Medicaid Services (CMS)** [identified](#) 15 drugs used to treat cancer, diabetes, asthma, and other chronic illnesses that will be subject to discounts for Medicare beneficiaries beginning in 2027. Under the [Medicare Drug Price Negotiation Program](#), which was [established under the Inflation Reduction Act of 2022](#), CMS can directly negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition. In the latest cycle, CMS indicates negotiations focused on drugs that represent some of the highest Medicare Part D spending, noting that the newly negotiated prices will generate billions in savings for Medicare, supporting its long-term sustainability. Read more about the program and the 15 drugs with negotiated discounts [here](#) and [here](#).

Right to Work Repeal Legislation Pre-Filed Ahead of 2026 Virginia General Assembly Session

State **Senator Jennifer Carroll Foy** (D-Prince William County) has pre-filed [legislation](#) seeking to repeal Virginia’s longstanding [right to work law](#) that prohibits compulsory union membership as a condition of employment. The legislation, Senate Bill 32, has been [referred](#) to the **Senate Commerce and Labor Committee** and will be pending there when the 2026 **Virginia General Assembly** session commences on Jan. 14. Repealing Virginia’s right to work law has long been a goal for organized labor groups. It is opposed by business groups, including the [Keep Virginia Working](#) coalition that is encouraging Virginians to contact state lawmakers to express opposition to the legislation on the grounds that repeal would harm individual freedom and undermine economic competitiveness in the Commonwealth. During the 2025 gubernatorial campaign, **Governor-elect Abigail Spanberger** [reportedly said](#) she did not support full repeal of the right to work law, while indicating that reforms to that policy may be appropriate in the future.

CMS Shares Guidance on Provider Tax, DPP, Medicaid, CHIP Policy Changes Under OBBBA

The **Centers for Medicare & Medicaid Services (CMS)** has shared [preliminary guidance](#) with states regarding changes to provider tax policy under the One Big Beautiful Bill Act (OBBBA) that **Congress** approved and **U.S. President Donald J. Trump** signed into law in July. Under the law, CMS will prohibit new health care-related taxes and associated financing practices that have been historically used to draw down federal matching funds. Provisions in OBBBA call for a series of multi-year rate reductions to the provider tax as well as multi-year reductions to Medicaid supplemental payment percentages through the state directed payment program (DPP). VHHA estimates those policy changes could cost Virginia hospitals more than \$2 billion in lost annual funding if fully implemented. Private acute care hospitals in Virginia pay a provider tax on net patient revenue. Proceeds from that levy are used to fund the state share of Medicaid expansion costs and to draw down federal matching dollars to enhance inadequate Medicaid reimbursements. The CMS guidance indicates that “revenues associated with tax waiver proposals that were pending on or submitted after July 4, 2025, will not be included in the new indirect hold harmless threshold. CMS will calculate thresholds associated with the tax structure in

effect with the most recent waiver approval for the tax, and for which the state is actively collecting revenue.” The guidance also specifies state deadlines for adapting to some of the new requirements under the law and notes that a formal rulemaking process is to follow. Read more [here](#). In related news, CMS has also shared guidance documents on OBBBA policy changes related to Medicaid and CHIP provisions in the law as well as changes to DPP. Access those guidance documents through this [link](#).

CMS Shares Medicare Part A and B Hospital Costs for 2026, Annual Enrollment Open Until Dec. 7

The **Centers for Medicare & Medicaid Services** (CMS) recently issued notices announcing the [outpatient](#) and [inpatient](#) hospital deductible and the hospital and extended care services coinsurance amounts for services furnished in calendar year (CY) 2026 under Medicare’s Hospital Insurance Program (Medicare Part A) and Medicare Part B. For CY 2026, the Part A inpatient hospital deductible will be \$1,736. The daily coinsurance amounts for CY 2026 will be: \$434 for the 61st through 90th day of hospitalization in a benefit period; \$868 for lifetime reserve days; and \$217 for the 21st through 100th day of extended care services in a skilled nursing facility in a benefit period. For Part B, the annual deductible for 2026 is \$283, an increase of \$26, and the standard monthly Part B premium rate for all enrollees for 2026 is \$202.90, which is 9.7 percent or \$17.90 higher than the 2025 standard premium rate of \$185. Earlier this year, CMS [indicated](#) that it anticipated premium and drug plan cost stability for 2026 coverage. In 2025, [CMS data](#) shows that of the 69 million Americans enrolled in Medicare Parts A and B, about 51 percent were in Medicare Advantage plans. VHHA has additional information about Medicare on its website, including official government documentation, and educational resources on plan feature comparison charts, frequently asked questions, and more. Visit this [link](#) to learn more and access the available resources. The current [Medicare open enrollment period](#) for 2026 continues through Dec. 7. During this period, eligible individuals can enroll or disenroll from Medicare Advantage plans, change drug plans, and more.

Events

VHEMP to Host Dec. 17 Webinar with National Weather Service on Anticipated Winter Conditions

Registration is open for a **Virginia Healthcare Emergency Management Program** (VHEMP) winter weather briefing webinar with the **National Weather Service** (NWS) scheduled for Dec. 17 at noon. VHEMP is a partnership between the **Virginia Department of Health** (VDH), the **Virginia Hospital & Healthcare Association** (VHHA) and the four Regional Healthcare Coalitions. The webinar will feature **Katie Carter**, Emergency Response Specialist with NWS, who will provide an overview of the upcoming winter weather season forecast from mid-December through March as well as resources available to prepare for and monitor events. Visit this [link](#) to register. After registration, attendees will receive a confirmation e-mail containing information about joining the webinar. An attendee guide can be viewed [here](#) and information about asking questions during the webinar is available through this [link](#).

Podcast

VHHA *Patients Come First* Podcast Features UVA Health Cancer Researcher, Cancer Survivor

This episode of VHHA's *Patients Come First* podcast features **Kristin Anderson, PhD**, an assistant professor of microbiology, immunology, and cell biology at the **University of Virginia**, for a conversation about her research, her personal journey with cancer, and how those experiences have shaped her life and her work. Listen to the episode [here](#) and hear past episodes through this [link](#). Podcast episodes are also available through these podcast apps and networks: [Apple Podcast](#), [Amazon Music](#), [Spotify](#), [Pandora](#), [Stitcher](#), [TuneIn](#), [SoundCloud](#), [Blubrry](#), [iHeart Radio](#), [Deezer](#), [Podbay](#), [Pocket Casts](#), the [Virginia Audio Collective](#), and the [World Podcast Network](#). The podcast can also be heard on the radio airwaves – episodes air Sundays at 9 a.m. on 100.5 FM, 107.7 FM, 92.7 FM, and 820 AM across Central Virginia and 1650 AM in Hampton Roads. Send questions, comments, feedback, or guest suggestions to pcfpodcast@vhha.com.



Around the State

Nurses from several VHHA member hospitals and health systems were recently honored by the **Virginia Nurses Foundation** as part of the Virginia Nurses Association 2025 Leadership Excellence Award Winners and Trailblazers event. Nurses from the following system received awards at a gala event held in Portsmouth, VA: **Augusta Health, Bon Secours, Carilion Clinic, Centra Health, HCA Virginia, Inova, Riverside, Sentara Health, UVA Health, VCU Health, and VHC Health**. Visit this [link](#) to see the full list of honorees.



Dr. Andrew Fanous, MD, FAANS, FCNS, a board-certified neurosurgeon who serves as the Section Chief of Neurosurgery at **Inova Alexandria Hospital**, the Medical Co-Director of Spine for **Inova's Eastern Region**, and an assistant professor of neurological surgery at the **UVA School of Medicine**, has received the Early Achievement Award from his alma mater, the University of Vermont College of Medicine.

Nick Chuquín, MSHA, FACHE, Vice President of Operations at **Riverside Regional Medical Center**, has been recognized as Virginia's **2025 Community Star** by the **National Organization of State Office of Rural Health** through the Power of Rural Initiative.

