



2026 GENERAL ASSEMBLY REVIEW

The Virginia Hospital & Healthcare Association’s member hospitals and health systems worked to shape significant health care proposals on the General Assembly’s agenda during the 2026 Regular Session. This summary describes final action on those measures with the greatest impact on hospitals and health systems.

The 2026 Regular Session of the Virginia General Assembly convened with Democratic majorities in both chambers and marked the first year of Governor Abigail Spanberger’s administration. Lawmakers advanced an ambitious agenda centered on health care access, affordability, and workforce stability, with particular attention to strengthening care delivery in rural and underserved communities.

Labor and employment policy remained a major focus, including proposals to raise the minimum wage, institute collective bargaining for public employees, establish a statewide paid family and medical leave program, and provide consumers and employees with additional legal protections. VHHA actively engaged on legislation affecting behavioral health, maternal health and newborn services, prior authorization and other insurer practices, workforce and childcare issues, and an array of medical malpractice and legal liability matters, while also closely monitoring scope of practice proposals and workplace standards with operational implications for hospitals.

Throughout the Session, VHHA remained focused on advancing policies that support and grow the health care workforce, reduce regulatory and administrative barriers that delay patient care, and bolster maternal and behavioral health services. At the same time, VHHA opposed measures that could undermine hospital sustainability, including efforts to weaken Certificate of Public Need protection or expand provider liability.

Certificate of Public Need

During the 2026 Session, efforts were made to make changes to the state’s Certificate of Public Need (COPN) program, including legislation seeking changes to the “expedited review” process for medical deserts.

Value of Charity Care

HB606 (Willett) removes certain limitations on the meaning of “reviewable service” as it relates to charity care data reporting requirements for medical care facilities and specifies that the value of charity care for such reporting is to be based on gross patient charges. *This legislation passed and was signed by the Governor.*

Exception for Independent Outpatient or Ambulatory Surgery Facilities

HB1201 (Scott) would have created an exception from the requirement to obtain a COPN for facilities with outpatient or ambulatory surgery with up to three operating rooms that are not affiliated with a hospital. The bill would have required hospitals to obtain a COPN before acquiring an excepted facility. *This bill was tabled in the Health and Human Services Subcommittee on Health.*

Exempt Maternal and Perinatal Health

SB168 (Craig) would have created an exception to COPN requirements for any project or action related to maternal and perinatal health services. The bill would have also removed neonatal intensive care from the definition of tertiary care for purposes of determining health planning regions. *This bill was passed by indefinitely by the Education and Health Committee.*

Expedited Review for Medical Deserts

HB1337 (Clark)/ SB239 (Head) would have inserted in law a definition of “medical deserts” and established that any projects in such areas would be subject to expedited review. It was subsequently amended to direct the State Health Services Plan Task Force to develop recommendations for designating areas of the state with an identifiable need for additional projects, taking into account numerous barriers of access to health care. The legislation also directs the Board of Health to promulgate updated regulations for expedited application and review processes for certain projects. The Commissioner is to report such recommendations to the Chair and members of the Senate Committee on Education and Health by October 1, 2026. *This legislation passed and was signed by the Governor.*

Behavioral Health

Behavioral health legislation this Session concentrated on temporary detention evaluations and strengthening coordination among health care, public safety, and education systems. Enacted measures addressed custody and liability during medical temporary detention order evaluations, updated staffing standards and requirements for psychiatric emergency departments, and expanded the use of certified evaluators to help ensure timely access to care and temporary detention order determinations. The General Assembly also approved targeted information sharing at hospital discharge for minors to promote safety and continuity of care while safeguarding parental rights.

Medical TDO and Hospital Custody

HB309 (Hope) provides that while the physician is seeking the issuance of a medical temporary detention order (mTDO), the person for whom such order is being sought shall remain at the facility where he is located for up to two hours, and any available security personnel shall, at the direction of the physician, take reasonable measures to ensure that such person does not leave the facility. The legislation also provides that any licensed health professional or licensed hospital, including a hospital licensed by the Department of Health pursuant to § 32.1-123, administering treatment, or providing testing, or detention pursuant to the court’s or magistrate’s authorization, or any licensed health professional, licensed hospital, or security personnel assisting a licensed health professional involved in the detention of a person pursuant to such mTDO shall have no liability arising out of a claim to the extent the claim is based on lack of consent to the treatment, testing, or detention. *This legislation passed and was signed by the Governor.*

Certified Evaluator Program

HB1292 (Price)/ SB735 (Diggs) extends, until July 1, 2027, the current provisions of law authorizing hospitals with a psychiatric emergency department located in the City of Hampton to employ certain trained individuals to perform evaluations to determine whether a person meets the criteria for temporary detention for behavioral health treatment. The current law also requires participating hospitals with psychiatric emergency departments in the City of Hampton to submit monthly and annual reports on temporary detentions and crisis evaluations. *This legislation passed and was signed by the Governor.*

Presence of a Physician in a Psychiatric Emergency Department

HB1318 (Willett)/ SB738 (Jordan) removes an existing requirement that a physician shall be required to be on duty and physically present for a psychiatric emergency department. The requirement is replaced with a new requirement that a psychiatric emergency department must promote itself to the community as only providing psychiatric services, have a written agreement in place with local emergency medical services providers stating that patients experiencing non-psychiatric emergency medical conditions will be transported to a facility that provides emergency medical treatment, have a transfer agreement in place with a facility that provides emergency medical treatment stating that patients requiring non-psychiatric emergency medical services will be transferred to that facility; have video consultative services available with a physician at a facility that provides emergency medical treatment, have a medical director who is a physician with onsite clinical oversight and quality improvement responsibilities for the psychiatric emergency department; and have licensed providers on duty at all times with Advanced Cardiovascular Life Support and Pediatric Advanced Life Support training as well as initial Basic Life Support resuscitation capabilities who are able to provide emergency medical treatment until qualified medical transport has arrived. This legislation also has reporting requirements that are due annually by November 1. *This legislation passed and was signed by the Governor.*

Release of Hospital Discharge Plans to Public Schools

SB171 (Favola) requires that if a minor admitted to inpatient treatment is a student at an elementary or secondary school and the facility to which the minor is admitted deems that additional educational services are needed or the minor poses a threat of violence or physical harm to self or others at the time of the discharge, the facility shall notify the mental health professional or school counselor at such minor's school prior to or at the time of discharge, but discharge from a facility may not be withheld solely for the purpose of this disclosure. It also requires that prior to providing notification of any discharge information to an elementary or secondary school's mental health professional or school counselor, each facility shall provide reasonable notice to the minor's parent of the parent's right to decline disclosure, except in such disclosures made in accordance with the law (duty to warn disclosure). There is a delayed enactment until January 2027 to allow the Department of Education to create guidelines to place safeguards around proper use of student discharge planning information disclosed to elementary or secondary schools to prevent further disclosure of the discharge plan beyond the purpose for which such disclosure was made. *This legislation passed and was signed by the Governor.*

Temporary Detention Order Transportation

SB75 (Lucas) clarifies that the term "law-enforcement officer" as used in relevant law relating to emergency and involuntary civil transportation includes retired law-enforcement officers for the purposes of laws related to emergency custody and involuntary temporary detention. The legislation also permits an alternative transportation provider to provide transportation of a person in the temporary detention process in a safe manner if the alternative transportation provider is (i) an employee of, or the person providing services pursuant to a contract with, the Department of Behavioral Health and Developmental Services or (ii) an employee of a private or state hospital within the confines of the Commonwealth. The legislation provides that, for purposes of transporting a minor during the temporary detention process, an alternative transportation provider is deemed available if it states it is available to take custody from law enforcement within six hours of issuance of the temporary detention order or an order changing the transportation provider. The legislation also provides the alternative transportation provider shall maintain custody from the time custody is transferred by the primary law-enforcement agency until custody is transferred to the temporary detention facility, including while awaiting transport and during transport. The legislation also specifies when a law-enforcement agency or alternative transportation provider providing transportation of a minor in the temporary detention process may transfer custody of such minor

to a facility or location where the minor is awaiting transport if such facility or location (i) agrees to accept custody of the minor and (ii) is capable of providing the level of security necessary to protect the minor and others from harm. When a bed becomes available at the temporary detention facility, the legislation provides that facility or location shall notify the law-enforcement agency or alternative transportation provider specified on the order, which shall then return to transport the minor to the facility of temporary detention. *This legislation passed and was signed by the Governor.*

Hospital Regulatory

Several pieces of legislation sought to regulate hospital policies, procedures, and practices. These measures included legislation affecting price transparency, increasing penalties for failure to meet mandatory abuse reporting obligations, authorizing reimbursement for medical costs associated with anonymous trace evidence collection kits for victims of strangulation, permitting the use of medical cannabis oil in hospitals, and directing delays in the disclosure of certain laboratory test results.

Evaluation of All-Payer Claims Database

HB184 (Helmer) would have instituted a site-neutral payment policy for all health system provider contracts with a carrier to include a requirement that the health system accept as payment in full for all applicable services rates that shall not exceed 150 percent of the amount paid as the Medicare non-hospital rate for the same services. It was subsequently amended to direct the Virginia Department of Health, in consultation with Virginia Health Information, to conduct an evaluation of the All-Payer Claims Database created under § 32.1-276.7:1 of the Code of Virginia and the data submitted thereto in facilitating data-driven, evidence-based improvements in access, quality, and cost of health care in the Commonwealth. The Department is required to submit a report of its findings and recommendations of its findings and recommendations to the Governor and the General Assembly no later than December 1, 2026, which such report is to include (a) findings on capabilities and limitations of the All-Payer Claims Database; (b) recommendations for improving utility of the All-Payer Claims Database for regulatory compliance, mandated benefit assessments, and additional appropriate uses; (c) an analysis of whether legislative and regulatory changes are necessary; and (d) a proposed timeline for implementing recommended changes. *This legislation passed and was signed by the Governor.*

Price Transparency Tool

HB829 (Helmer) would have directed the Department of Health to create a hospital price transparency comparison tool to allow users to search for and filter results by hospital and procedure based on the price transparency information provided by hospitals and the information available through the Virginia All-Payer Claims Database established pursuant to § 32.1-276.7:1. The bill would have further provided that the list of standard charges in price transparency information provided by the hospital controls in the event of a dispute between a hospital and a patient over a patient payment amount and would have required hospitals to discharge debt and not require payment for any elective procedure, test, or service for which the patient payment amount is disputed and there was not a standard charge made available to the public on the hospital's website on the date such elective procedure, test, or service was performed. *This bill failed to report from the Health and Human Services Subcommittee on Health.*

Itemized Statements

HB1209 (Oates) would have required hospitals to provide patients with an itemized statement of charges for services rendered for any non-emergent medical procedure, test, or service. *This bill was stricken in the Health and Human Services Subcommittee on Health.*

Good Faith Patient Estimates

HB1276 (Watts) would have required health care providers to provide a good-faith estimate of the payment amount for which the patient will be responsible for any nonemergency health care service, including any fees or other charges for an item or service the patient may receive in connection with the nonemergency health care service. *This bill was **continued** to the 2027 Session in the Labor and Commerce Committee.*

Medical Marijuana in Hospitals

HB75 (Keys-Gamarra)/ HB486 (Shin)/ SB332 (Favola) permits hospital staff members who are authorized to possess, distribute, or administer medications to residents to store, dispense, or administer cannabis oil to a patient or resident who has been issued a valid written certification for the use of medical cannabis oil. The legislation also directs the Department of Health to convene a work group to discuss the implementation process for providing cannabis products to patients within medical care facilities. The work group is directed to assess any available federal guidance or proposed regulations on the use of cannabis products or changes to the schedule for cannabis products under the federal Controlled Substances Act (21 U.S.C. § 801 et seq.) as well as interaction with applicable state laws. The work group is also to provide a report on its discussion, including written guidelines for the use of medical cannabis within medical care facilities and the safe operations of medical care facilities, to the Chairs of the House Committee on Health and Human Services and the Senate Committee on Education and Health by November 1, 2026. HB486 was incorporated into HB75. *This legislation **passed** and was signed by the Governor.*

Mandatory Reporting of Child Abuse

HB1414 (McQuinn) increases penalties to a Class 1 misdemeanor for any person required to file a report of reasonable suspicion of child abuse or neglect pursuant to relevant law, who fails to do so as soon as possible, but not longer than 24 hours after having reason to suspect a reportable offense where such reportable offense is alleged to have occurred at a private or state-operated hospital, institution, or facility to which children have been committed or where children have been placed for care and treatment. The legislation also provides that a second or subsequent violation is a Class 6 felony. *This legislation **passed** and was signed by the Governor.*

Forensic Nursing Services Reimbursement

HB1464 (Shin)/ SB812 (Boykso) provides that medical fees expended in the gathering of evidence through anonymous trace evidence collection kit examinations, defined in § 19.2-11.5, conducted on victims complaining of strangulation in violation of § 18.2-51.6 shall be paid by the Commonwealth through the Criminal Injuries Compensation Fund (also known as the Virginia Victims Fund). Such victims shall not be required to participate in the criminal justice system or cooperate with law enforcement authorities in order to be provided with such forensic medical exams. The legislation also directs the Director of the Department of Criminal Justice Services to convene a work group of relevant stakeholders to discuss and submit recommendations for certain matters related to the reimbursement process for forensic medical examinations, enumerated in the legislation. The legislation directs the work group to submit a report with recommendations to the Chairs of the House Committee on Health and Human Services, the House Committee on Appropriations, the Senate Committee on Education and Health, and the Senate Committee on Finance and Appropriations by November 1, 2026. *The legislation **passed** and was signed by the Governor.*

Disclosure of Laboratory Test Results

HB973 (Price) requires health care entities to wait 72 hours before disclosing test results that could indicate malignancy or genetic markers as part of a patient’s health records unless the health care entity directs the release sooner, the patient or his representative request and consent to such early release; the health care entity is unable to withhold the test results without delaying the release of other results or information due to limitations of the electronic health record system in use by the health care entity; or; the health care entity or treating health care provider determines it is in the patient’s best interest to release the results early. The legislation also permits health care entities to disclose health records to an electronic health information exchange to comply with the federal 21st Century Cures Act. *This legislation passed and was signed by the Governor.*

Medical Ethics - Advance Directives

Uniform Health Care Decisions Act

HB548 (Hope) would have repealed most provisions of the Health Care Decisions Act and enacted the Uniform Health Care Decisions Act. The bill would have created a process for the execution of advance health care directives, as defined in the bill; established criteria for determining the capacity of an individual to make health care decisions; provided for the establishment of a default surrogate in the absence of an appointed agent for health care decisions; established powers and duties of agents appointed by powers of attorney for health care; and established duties of health care professionals. *The bill was continued to the 2027 Session in the Finance and Appropriations Committee.*

Absence of Next of Kin

SB71(Favola) would have authorized patient care consulting committee to make health care decisions for a patient incapable of making informed decisions when no next of kin is reasonably available. *The bill was stricken at the request of the patron in the Courts of Justice Committee.*

Workplace Violence

Violence against health care workers has risen sharply in recent years, putting frontline staff at risk. Legislation was introduced to ban weapons in behavioral health facilities, including emergency departments, and clarify workplace violence reporting requirements adopted in 2025.

Ban Weapons in Hospitals Providing Psychiatric Services

HB229 (Hernandez)/ SB173 (Graves) makes it a Class 1 misdemeanor for any person to knowingly and intentionally possess in the building of any hospital that provides mental health services or developmental services in the Commonwealth, including an emergency department or other facility rendering emergency medical care, a (i) firearm, (ii) knife with a blade over three and one-half inches, or (iii) other dangerous weapon, including explosives and stun weapons. The legislation also provides that notice of such prohibitions shall be posted conspicuously at each public entrance of any hospital and that no person shall be convicted of the offense if such notice is not posted, unless such person had actual notice of the prohibitions. The provisions of this legislation would not apply to a person while in the actual discharge of his official duties as a police officer, sheriff, law enforcement agent or official, offer or guard of any state correctional institution, or armed security officer or any person who has written authorization from the hospital, including authorization related to an employee’s scope of employment, or any person brought into a hospital pursuant to the issuance of an emergency custody order or involuntary detention order. The legislation provides that such firearm, knife, explosive, or weapon shall be subject to seizure by a law-

enforcement officer and forfeited to the Commonwealth and specifies exceptions to the prohibition. *The legislation passed and was signed by the Governor.*

Workplace Violence Reporting Requirements

HB1489 (Tran) clarifies the reporting requirements for incidents of workplace violence in hospitals by establishing required descriptors of incidents, identifying additional parties to whom hospitals are required to report collected data, and directing the Department of Health to publish a report containing an annual summary of such data in aggregate form according to the health planning region where the incident occurred and with any personally identifiable information removed from all data collected during the previous year. The legislation further exempts from the Freedom of Information Act any facility-level data and information relating to incidents of workplace violence in hospitals and required to be kept confidential under the new provisions. The legislation also directs the Board of Health to promulgate regulations implementing the provisions of the legislation by January 1, 2027, and directs the Department of Health to publish its first report by December 31, 2027. *The legislation passed and was signed by the Governor.*

Maternal Health

Virginia lawmakers continued to focus on the challenges surrounding maternal health, reflecting ongoing concern about maternal morbidity and disparities in outcomes across the Commonwealth. Several bills sought to strengthen the maternal health care continuum by improving access to services, enhancing quality and safety of care, supporting providers, and addressing systemic gaps that contribute to poor maternal outcomes, particularly for high-risk populations.

Fetal and Infant Mortality Review Team

HB336 (Anthony)/ HB1398 (Franklin) would have established the Fetal and Infant Mortality Review Team to develop and implement procedures to ensure that fetal and infant deaths occurring in the Commonwealth are analyzed in a systematic way. The bill would have required the Team to compile triennial statistical data regarding fetal and infant deaths and to make such data available to the Governor, the General Assembly, and the Department of Health. HB336 was incorporated into HB1398. *This bill was continued to the 2027 Session in the Finance and Appropriations Committee.*

Remote Patient Monitoring Pregnant and Postpartum Patients

HB425 (LeVere Bolling) was amended to be a study directing the Department of Medical Assistance Services to assess whether and to what extent other states provide medical assistance services coverage for remote patient monitoring services provided via telemedicine for (i) high-risk pregnant persons through 12 months postpartum or (ii) pregnant persons 35 years of age or older at their estimated delivery date through 12 months postpartum. The Department is to survey the type of medical assistance services coverage provided for such persons in other states, costs associated with such coverage, best practices in providing such coverage, and any other relevant information for the General Assembly to consider regarding the expansion of medical assistance services coverage in the Commonwealth to such populations, including whether age is a consideration in defining those eligible for coverage. The Department is to submit a report on its findings to the Chairs of the Senate Committees on Finance and Appropriations and Education and Health and the House Committees on Appropriations and Health and Human Services no later than November 1, 2026. *This legislation passed and was signed by the Governor.*

Newborn Screening Disorders

HB433 (LeVere Bolling) directs the Department of Health to establish a process for considering the addition of disorders to the Commonwealth's newborn screening program that are not included on the federal Recommended Uniform Screening Panel, which process is to include criteria and a timeline for consideration of disorders and a timeline for initiation of rulemaking. Similar legislation, SB374 (Boysko), was subsequently amended only to direct the Department to amend regulations governing newborn screening to include screening for Gaucher disease and was tabled in the Finance and Appropriations Committee. *This legislation passed and was signed by the Governor.*

Neonatal Levels of Care

HB456 (Willett)/ SB291 (Aird) directs the State Board of Health to establish standards for designation of care in neonatal services consistent with, but not necessarily identical to, standards published by the American Academy of Pediatrics. The legislation directs the Board of Health to promulgate regulations to implement the provisions of the legislation by July 1, 2027, and prohibits enforcement of such regulations until July 1, 2029. *This legislation passed and was signed by the Governor.*

Maternal Health Monitoring Pilot

SB721 (Carroll Foy) would have directed the Department of Health to implement the Maternal Health Monitoring Pilot Program that provides remote patient monitoring for maternal hypertension and maternal diabetes. The bill would have required the Department to select a managed care organization and technology vendor to administer the Pilot Program and to submit a report to the Governor and General Assembly no later than 18 months after the first eligible participant is enrolled in the Pilot Program. *This bill was continued to the 2027 Session in the Finance and Appropriations Committee.*

Severe Maternal Mortality Surveillance and Review Program; established

HB1403 (Franklin) creates the Severe Maternal Morbidity Surveillance and Review Program (SMM Program) to identify, analyze, and review instances of severe maternal morbidity. The legislation directs the Department of Health to develop a reporting system for hospitals and freestanding birthing centers to report findings and recommendations, as well as a model protocol for conducting reviews of severe maternal morbidity. The legislation requires all hospitals and freestanding birthing centers to participate in the SMM Program and report their findings and recommendations to the Department of Health on an annual basis. The legislation has a delayed effective date of September 1, 2026. *This legislation passed and was signed by the Governor.*

Pharmacy

Pharmacy legislation considered during this session focused on regulatory oversight, access to pharmacy services, and targeted practice flexibility, rather than broad expansions of scope or reimbursement reform.

Pharmacy Freedom of Choice / Whitebagging

HB1172 (Cole)/ HB1390 (Ward)/ HB642 (Pillion) would have provided that in no event shall any person receiving a covered specialty pharmacy benefit from a nonpreferred or nonparticipating provider, regardless of whether it has submitted a reimbursement agreement, be responsible for amounts that may be charged by the nonpreferred or nonparticipating provider in excess of the copayment and the insurer's reimbursement applicable to all of its preferred or participating pharmacy providers. *HB1172 was stricken in Labor and Commerce Subcommittee #1. HB1390 was continued to the 2027 Session in the Finance*

and Appropriations Committee. SB642 was **continued** to the 2027 Session in the Finance and Appropriations Committee.

340B Contract Pharmacies

SB278 (Srinivasan) as introduced would have prohibited manufacturers from limiting the use of contract pharmacies by covered entities participating in the federal 340B Drug Pricing Program, but was subsequently amended to direct the Secretary of Health and Human Resources to convene a work group to conduct a comprehensive evaluation of the impacts of the program within the Commonwealth, with emphasis on governance, transparency, and the availability of pharmacy services in rural and underserved areas. The work group is required to submit a report on its findings and recommendations to the Chairs of the Senate Committees on Finance and Appropriations and Education and Health and the House Committees on Appropriations and Health and Human Services by November 1, 2026. *This legislation passed and was signed by the Governor.*

Compounding Pharmacies

HB917 (Willett) would have established additional requirements for when pharmacists may use bulk drug substances in compounding and specified prohibitions on pharmacist use of (i) bulk drug substances that were withdrawn or removed from the market for reasons of safety and effectiveness or were covered by an investigational new drug application and not approved and (ii) compounded drug products that are essentially a copy of commercially available drug products. The bill would have permitted the Board of Pharmacy to request records of all compounded drug products and required pharmacists to furnish such records within 48 hours of such request or within a reasonable time as determined by the Board. The bill would have also permitted the Board of Pharmacy to submit any information related to investigations, disciplinary proceedings, or inspection of a licensee to the National Association of Boards of Pharmacy. *This bill was continued to the 2027 Session in the Health and Human Services Committee.*

Insurance

Insurance legislation affecting health care providers focused on payer accountability, claims efficiency, and administrative transparency, rather than broad insurance market reforms, aligning with broader goals of affordability, access, and system efficiency.

Commonwealth Health Reinsurance Program Extension

HB327 (Sullivan) directs the State Corporation Commission to apply to the appropriate federal agencies under the federal Patient Protection and Affordable Care Act for an extension of the existing State Innovation Waiver authorizing the Commonwealth to implement a reinsurance program. The existing State Innovation Waiver is set to expire on January 1, 2028. Additionally, the legislation removes the 20 percent upper limit of the premium reduction goal under the Commonwealth Health Reinsurance Program. This legislation is a recommendation of the Health Insurance Reform Commission. *This legislation passed and was signed by the Governor.*

Health Insurance Premium Stabilization Tax Credit Act

HB405 (Reid) would have established the Health Insurance Premium Stabilization Tax Credit Act, through which a qualified taxpayer, defined in the legislation, would be allowed a refundable income tax credit for taxable years 2026 through 2030 in an amount equal to such taxpayer's certifiable premium. The bill would have provided that the Health Benefit Exchange Division of the State Corporation Commission determine each qualifying taxpayer's certifiable premium for each taxable year in which

such taxpayer may claim a health insurance premium stabilization tax credit and annually report such amount to the Department of Taxation. *This bill was **tabled** in Finance Committee Subcommittee #1.*

Prior Authorization Denial Requirement for Review by Physician

HB481 (Hope) prohibits a health insurance carrier from denying or making an adverse determination of a prior authorization request for prescription drugs or health care services unless such denial has been reviewed and approved by a licensed physician or licensed pharmacist if a licensed physician is not available. *This legislation **passed** and was signed by the Governor.*

Downcoding Requirement for Review by Natural Person

HB484 (Shin)/ SB164 (McPike) prohibits a carrier, intermediary, administrator, or representative of a carrier from downcoding a claim, as defined in the legislation, unless the decision to downcode is determined by a person or electronic system that considers all relevant patient data from the legislation provider in making the determination. The legislation requires a carrier, intermediary, administrator, or representative that downcodes a claim to provide certain notice to the person submitting the claim, including the reason for the decision and the process to appeal. The legislation requires that all downcoding dispute decisions shall be adjudicated by a natural person. The provisions of this subsection do not apply to limited-scope benefits, including stand-alone dental plans. *This legislation **passed** and was signed by the Governor.*

Electronic Supplementation

HB676 (Maldonado)/ SB172 (Pekarsky) states if the carrier requires information from the provider to establish medical necessity, benefit coverage, or precertification or authorization of services, or to conduct reconsideration activities, the provider may submit and the carrier shall accept such information as electronic information or an electronic attachment. In submitting such information as electronic information or an electronic attachment, the provider may be required to comply with the standards, formats, and implementation specifications adopted by the U.S. Department of Health and Human Services, as amended and where applicable. The legislation includes a delayed enactment specifying that the provisions of the act shall not become effective until January 1, 2027. *This legislation **passed** and was signed by the Governor.*

Prior Authorization for Prescription Drugs

HB736 (Maldonado) amends existing required provisions for health carrier contracts related to prior authorizations for prescription drugs. Current law requires that if prior authorization is approved for prescription drugs and such prescription drugs have been scheduled, provided, or delivered to the patient consistent with the authorization, health carriers may not revoke, limit, condition, modify, or restrict that authorization except in certain circumstances. The legislation requires this limitation on carriers to apply for a minimum of six months for initial authorizations and a minimum of 12 months for continued authorizations. The legislation adds circumstances under which a prior authorization may be revoked, limited, conditioned, modified, or restricted by a carrier, including (i) a final action by the U.S. Food and Drug Administration, other regulatory agencies, or the manufacturer communicating a patient efficacy issue that would affect the authorization and (ii) when additional safety monitoring is recommended by the U.S. Food and Drug Administration, other regulatory agencies, or the manufacturer. *This legislation **passed** and was signed by the Governor.*

Use of AI in Insurance Practices

SB586 (Salim) would have required health carriers to disclose to the State Corporation Commission's Bureau of Insurance how artificial intelligence is used to manage claims coverage and to submit all information enabling decisions made by artificial intelligence to the Bureau upon request. The bill would have also required health carriers to provide notice to enrollees and health care providers when artificial intelligence has been used to issue an adverse determination and to provide a clear and timely process for appeal of such determination. *This bill was **continued** to the 2027 Session in the Communications, Technology and Innovation Committee.*

Prior Authorization Required Contract Provisions

HB1526 (Fowler) would have required any provider contract between a carrier and a participating health care provider or its contracting agent to contain specific provisions that (i) require a carrier to establish and maintain a prior authorization application program interface for processing prior authorization requests and (ii) require a participating health care provider to ensure that any electronic health record or health information technology system owned by or contracted for the provider to maintain the health record of an enrollee has the ability to access such application program interface. *This bill was **left** in Labor and Commerce Committee.*

Ambulance Services-Balance Billing

Ambulance Balance Billing

SB593 (Perry) would have prohibited an out-of-network ambulance provider from balance billing any enrollee for transportation provided by an emergency medical services vehicle, defined in the bill any vehicle, vessel, or aircraft that holds a valid permit issued by the Office of Emergency Medical Services and that is equipped, maintained, or operated to provide emergency medical care or transportation of patients who are sick, injured, wounded, or otherwise incapacitated or helpless. *This bill was **tabled** in the Labor and Commerce Committee.*

Nonemergency Medical Transportation Rate Sheet Billing Notice

HB1115 (Nivar) requires a nonemergency medical transportation (NEMT) provider or the medical care facility prearranging transport through such a provider, prior to providing such transportation services to a patient, to provide the patient or the patient's representative with a standardized disclosure form of all associated fees or other charges for which the patient will be responsible for such transportation services. The legislation also requires that NEMT providers provide the medical care facility with the required form. These provisions have a delayed effective date of January 1, 2027. Effective July 1, 2026, the legislation directs the Department of Health to develop and publish a standardized disclosure form on its website by October 1, 2026. *This legislation **passed** and was signed by the Governor.*

Health Professions

There was continued focus on workforce development, scope-of-practice policy, and regulatory alignment, reflecting lawmakers' efforts to address persistent health care workforce shortages while maintaining patient safety and system stability. Hospitals and health systems closely monitored these proposals due to their direct operational and clinical implications.

Nurse Practitioner Transition to Practice Military and Veterans Affairs

HB622 (Glass) would have permitted advanced practice registered nurses who practiced autonomously for at least three years as part of either military service or employment with the Department of Veterans Affairs to practice without a practice agreement. *This bill failed to report from the Health and Human Services Subcommittee on Health Professions*

Physician Assistant Transition to Practice

HB746 (Henson) authorizes a physician assistant with at least three years of full-time clinical experience to practice without a practice agreement upon receipt of an attestation from a patient care team physician or patient care team podiatrist who provided collaboration and consultation to such physician assistant verifying the length and nature of the physician assistant's practice. The legislation establishes methods for a physician assistant who is unable to obtain the required attestation to submit other evidence that the physician assistant meets the requirements to practice without a practice agreement and establishes a method for physician assistants who obtain licensure by endorsement to practice without a practice agreement if they meet the applicable requirements. The legislation also establishes a scope of practice for physician assistants who practice without a practice agreement. The provisions of the legislation will not become effective until the Board of Medicine adopts regulations establishing processes for granting authorization to physician assistants to practice without a practice agreement within the physician assistant's current scope of practice. *This legislation passed and was signed by the Governor.*

Clinical Nurse Specialist Transition to Practice

SB811 (Head) would have amended the Code to allow a clinical nurse specialist licensed by the Boards of Medicine and Nursing who prescribes controlled substances or devices and who has completed 1,000 hours of work as a prescribing clinical nurse specialist, to practice without a practice agreement upon receipt of an attestation from the supervising prescribing clinical nurse specialist or from the licensed physician with whom the prescribing nurse specialist has entered into a practice agreement stating (i) that such supervising prescribing clinical nurse specialist or licensed physician has provided consultation to the prescribing nurse specialist pursuant to a practice agreement and (ii) the period of time for which such supervising prescribing nurse specialist or licensed physician practiced in collaboration and consultation with the prescribing nurse specialist pursuant to the practice agreement. Such clinical nurse specialist would be required to consult and collaborate with, and refer patients to, such other health care providers as may be appropriate for the care of the patient. *This bill was continued to the 2027 Session in the Education and Health Committee.*

Radiologic Technologist Exemptions

HB452 (Willett) permits a person employed or engaged by a hospital, health system, or urgent care center that is affiliated with a hospital or health care system to practice within the scope of his employment as a radiologic technologist, radiologic assistant, or radiologic technologist, limited without obtaining a license. Under current law, such exception only applies to radiologic technologists who are employees of a hospital. The provisions of the law have an expiration date of July 1, 2029. *This legislation passed and was signed by the Governor.*

Workforce

Workforce policy was a central focus, particularly as it relates to addressing persistent health care staffing shortages, improving recruitment and retention, and strengthening Virginia's long-term health care workforce

pipeline. Legislative and budget actions emphasized training capacity, administrative alignment, and workforce supports.

Transfer of Workforce Programs from VDH to VHWDA

HB815 (Downey)/ SB405 (Lucas) grants the Virginia Health Workforce Development Authority the authority to administer scholarships related to nursing and to promulgate regulations exempt from the requirements of the Administrative Process Act as may be necessary to carry out the administration of nursing scholarship and loan programs. Under current law, the Board of Health is the administrative authority for such scholarships and the Commissioner of Health serves as the fiscal agent for the Board in the administration of some scholarship funds. The legislation directs the Authority to establish an annual reporting schedule requiring submission of health workforce data, requires the Authority to establish and provide oversight and strategic guidance to the Virginia Nursing Workforce Center, and grants the authority to evaluate health workforce programs administered or supported by the Commonwealth. The legislation directs the Virginia Nursing Workforce Center to establish an advisory board to provide it with strategic oversight and guidance. *This legislation passed and was signed by the Governor.*

Childcare Assistance Program

HB18 (McClure)/ SB3 (Aird)/ SB119 (Carroll Foy) establishes the Employee Child Care Assistance Program to provide matching funds in order to incentivize employers to contribute to the child care costs of their employees. The Program is to be administered by the Virginia Early Childhood Foundation. To participate in the Program, an employer must agree to make child care contributions to the eligible mixed delivery provider on behalf of the employee or to a third-party administrator, as defined by the legislation, and must provide any other information deemed necessary by the Foundation. The legislation specifies that, to the extent funds are available, the Foundation will issue a state match to a third-party administrator. Program funds will be awarded on a first-come, first-served basis; however, the legislation clarifies that the Foundation is encouraged to prioritize awards to proposals involving contributions from small businesses. The legislation requires the Foundation to provide an interim report to the General Assembly by September 1, 2028, and a summative report to the General Assembly by September 1, 2030, on the effectiveness and impact of the Program. SB 119 was incorporated into SB 3. *This legislation passed and was signed by the Governor.*

Childcare Access Calculation

HB1208 (Sewell)/ SB134 (Locke) requires the Department of Education to establish and maintain calculations for the provision of early childhood care and education services based on cost of quality rate per child, actual data from the prior year, an estimate of parental demand and choice preferences based on historic growth trends and current eligibility criteria, and an estimate of the number of slots to be added to support local or regional economic development efforts and public-private partnerships focused on increasing the supply of child care services, giving priority to localities or regions identified as child care deserts, as determined by the Department. The legislation also contains several provisions relating to the use and appropriation of funds as applicable to such calculations, including (i) providing that the calculations shall not obligate the General Assembly to a specific appropriation, (ii) requiring the calculations to be used to provide information to guide the General Assembly in making decisions about the proportion of parental demand for and supply of early childhood care and education services to be addressed and level of appropriation required to address such demand, and (iii) providing that the annual overall funding available for slots shall be subject to appropriation as determined by the General Assembly. Finally, the legislation requires the Department to annually submit to the Commission on Early Childhood Care and Education and post on its website a report on the data used to calculate the minimum

funding and number of slots for the calculations in accordance with the provisions of the legislation. *This legislation passed and was signed by the Governor.*

Medical Education Loan Fund

HB663 (Willett)/ SB625 (Deeds) would have established the Medical Education Loan-for-Service Fund and Program (the Program) for the purpose of providing loans to any person enrolled in or admitted to an eligible institution, as defined in the bill, that would be forgiven in whole or in part upon satisfactory completion of a service agreement entered into by a recipient to engage in clinical practice in a designated service area, as defined in the bill, for the requisite period and in accordance with the requirements set forth by the bill. *HB663 was tabled in the Appropriations subcommittee on Higher Education. SB625 was tabled in the Finance and Appropriations Committee.*

Labor & Employment

There was a significant shift in labor and employment policy, with lawmakers advancing a package of reforms aimed at expanding worker protections, increasing employee mobility, and strengthening collective labor rights. Together, these measures reflected a broader rebalancing of Virginia’s labor framework with meaningful implications for employers, including health care providers. While they did not fully eliminate noncompete agreements statewide, they substantially narrowed their future viability, particularly for health care professionals.

Covenants Not to Compete; Health Care Professionals

HB627 (Herring)/ SB128 (VanValkenburg) provides that no employer can enter into, enforce, or threaten to enforce a covenant not to compete with a health care professional. The legislation defines “health care professional” as any person licensed, registered, or certified by the Board of Medicine, Nursing, Counseling, Optometry, Psychology, or Social Work. The legislation provides that any employer that violates the prohibition against covenants not to compete with a health care professional is subject to the civil penalty in current law of \$10,000 for each violation. The legislation also authorizes health care professions to bring civil actions against employers for violations. The provisions of the legislation specify that it shall not invalidate, alter, or otherwise affect any contracts, covenants, or agreements entered into or renewed prior to July 1, 2026, and clarifies that nothing in the law shall serve to limit the creation or application of certain nondisclosure agreements, covenants not to compete as part of a sale of business, or including in employment agreements certain provisions relating to repayment of all or a pro-rated portion of recruitment-related costs and non-solicitation of customers of the employer. The legislation also includes provisions that allow a health care professional providing consultation or treatment before departure from an employer to provide the health care professional’s new contact information and the patient’s right to choose a health care provider. *This legislation passed and was signed by the Governor.*

Covenants Not to Compete; Key Employees and Professionals

HB949 (Lopez) would have prohibited an employer from entering into, enforcing, or threatening to enforce a covenant not to compete with employees who perform key duties of the employer’s enterprise or customarily and regularly solicit customers or make sales or contracts for the employer. *This bill was continued to the 2027 Session in the Labor and Commerce Committee.*

Covenants Not to Compete; Discharged Employees

SB170 (McPike) provides that no covenant not to compete, as defined in existing law, between an employer and an employee is enforceable if such employer discharges such employee from employment without providing severance benefits or other monetary payment to such employee that is disclosed upon

execution of the covenant not to compete, unless the employee is discharged for cause. The provisions of the legislation shall not invalidate, alter, or otherwise affect any contracts, covenants, or agreements entered into or renewed prior to July 1, 2026. SB569 was incorporated into this legislation. *This legislation passed and was signed by the Governor.*

Prohibition of Stay or Pay Contracts

HB923 (Lopez) would have prohibited an employer from entering into, enforcing, or threatening to enforce certain stay or pay contracts, as defined in the legislation, with any employee, with certain exceptions described. *This bill failed to report from the Commerce and Labor Committee.*

Paid Sick Leave

HB5 (Convirs-Fowler)/ SB199 (Favola)/ SB372 (Caroll Foy) expands provisions of the Code that currently require one hour of paid sick leave for every 30 hours worked for home health workers to cover all employees of private employers and state and local governments. All employees accrue a minimum of 1 hour of paid sick leave for every 30 hours worked and salaried employees will be assumed to work 40 hours each workweek for purposes of accrual. The legislation allows employers to provide a more generous paid sick leave policy than prescribed by its provisions and specifies that employees, in addition to using paid sick leave for their physical or mental illness or to care for a family member, may use paid sick leave to seek or obtain certain services or to relocate or secure an existing home due to domestic abuse, sexual assault, or stalking. The legislation provides that certain health care workers who work no more than 30 hours per month may waive the right to accrue and use paid sick leave. The legislation also provides that employers are not required to provide paid sick leave to certain health care workers who are employed on a pro re nata, or as-needed, basis, regardless of the number of hours worked. The legislation authorizes the Commissioner, in the case of a knowing violation, to subject an employer to a civil penalty not to exceed \$150 for the first violation, \$300 for the second violation, and \$500 for each successive violation. The Commissioner may also institute proceedings on behalf of an employee to enforce compliance with the provisions of this legislation. Additionally, the legislation authorizes an aggrieved employee to bring a civil action against the employer in which he may recover double the amount of any unpaid sick leave and the amount of any actual damages suffered as the result of the employer's violation. SB 372 was incorporated into SB 199. The legislation has a delayed effective date of July 1, 2027, and requires the Commissioner to promulgate regulations regarding employee notification and employer recordkeeping requirements. *This legislation passed and was signed by the Governor.*

Paid Family and Medical Leave Insurance Program

HB1207 (Sewell)/ SB2 (Boysko) requires the Virginia Employment Commission to establish and administer a paid family and medical leave insurance program with benefits beginning April 1, 2028. Under the program, benefits are paid to covered individuals, as defined in the legislation, for family and medical leave. Funding for the program is provided through premiums assessed to employers and employees beginning July 1, 2028. The legislation provides that the amount of a benefit is 80 percent of the employee's average weekly wage, not to exceed 100 percent of the statewide average weekly wage, which amount is required to be adjusted annually to reflect changes in the statewide average weekly wage. The legislation caps the duration of paid leave at 12 weeks in any application year and provides self-employed individuals the option of participating in the program. The legislation also establishes that employers may apply to the Commission for approval to meet their obligations under the law through a private plan where certain conditions are met. *This legislation passed and was signed by the Governor.*

Prohibition on Wage and Salary History; Posting of Wage Range

SB215 (Boysko)/ HB636 /(Maldonado) prohibits a prospective employer from (i) seeking the wage or salary history of a prospective employee; (ii) relying on the wage or salary history of a prospective employee in considering the prospective employee for employment; (iii) relying on the wage or salary history of a prospective employee in determining the wages or salary the prospective employee is to be paid upon hire; (iv) refusing to interview, hire, employ, or promote or otherwise retaliating against a prospective or current employee for not providing wage or salary history or requesting a wage or salary range; (v) failing or refusing to disclose in each public and internal posting for each job, promotion, transfer, or other employment opportunity the wage, salary, or wage or salary range; and (vi) failing to set a wage or salary range in good faith. The legislation allows employers a 15-day period to remedy any violation after receiving notice, before an employee may initiate legal action. The legislation establishes a cause of action for an aggrieved prospective employee or employee and provides that an employer that violates such prohibitions may be subject to a civil penalty of up to \$1,000 for a first violation or up to \$5,000 for a subsequent violation. *This legislation passed and was signed by the Governor.*

Repeal Right to Work

SB32 (Carroll Foy) would have repealed the provisions of the Code of Virginia that, among other things, prohibit any agreement or combination between an employer and a labor union or labor organization whereby (i) nonmembers of the union or organization are denied the right to work for the employer, (ii) membership in the union or organization is made a condition of employment or continuation of employment by such employer, or (iii) the union or organization acquires an employment monopoly in any such enterprise. *This bill was left in Commerce and Labor Committee.*

Collective Bargaining; Public Employees

HB1263 (Tran)/ SB378 (Surovell) would have repealed the existing prohibition on collective bargaining by public employees. The bill would have created the Public Employee Relations Board, which is to determine appropriate bargaining units and provide for certification and decertification elections for exclusive bargaining representatives of state employees and local government employees. The bill would have required public employers and employee organizations that are exclusive bargaining representatives to meet at reasonable times to negotiate in good faith with respect to wages, hours, and other terms and conditions of employment. The bill would have established the Virginia Home Care Authority within the Department of Medical Assistance Services to ensure the effectiveness and quality of the services of home care programs in the Commonwealth and tasks the Authority with serving as the public employer of individual providers, as defined in the bill, for purposes of collective bargaining pursuant to the legislation's provisions. The bill would have repealed a provision that declares that in any procedure providing for the designation, selection, or authorization of a labor organization to represent employees the right of an individual employee to vote by secret ballot is a fundamental right guaranteed from infringement. *This bill was vetoed by the Governor.*

Medical Malpractice

Medical malpractice legislation emerged as one of the most consequential and contentious health care issues during this Session. Lawmakers considered and advanced proposals that focused primarily on damage caps, statutes of limitation, with proposals that would significantly expand provider liability exposure, particularly for hospitals, health systems, and safety-net providers; prompting strong opposition from hospitals, physicians, and other health care stakeholders due to concerns about access to care, affordability, and system stability, particularly in rural and underserved communities.

Eliminate Malpractice Cap on Recoveries Involving Patients Under 10 Years of Age

SB99 (Stanley) would have eliminated the cap on the recovery in actions against health care providers for medical malpractice where the malpractice occurred on or after July 1, 2026, and occurred against a patient aged 10 or younger. *The bill was continued to the 2027 Session in the Finance and Appropriations Committee.*

Medical Malpractice Information Disclosure

SB536 (Obenshain) as introduced would have created an exception to the cap on recovery for pre-judgment interest and became a vehicle for a larger effort to increase the cap and make other changes to medical malpractice actions. The bill was ultimately amended to require medical malpractice information disclosures from insurers issuing medical malpractice liability insurance policies covering health care providers in the Commonwealth and medical care facilities and other health care providers that maintain self-insurance, captive insurance, risk retention arrangements, or other retained financial risk for medical malpractice liability. The legislation requires disclosure of various medical malpractice claims and insurance cost information, as specified in the legislation. Each entity required to disclose information must also provide a list of verdicts during the reporting year in medical malpractice actions in the Commonwealth in which the jury verdict exceeded the limitation on recovery established pursuant to § 8.01-581.15. The disclosures and information required to be provided are to be submitted to the State Corporation Commission, Bureau of Insurance (the Bureau) in a uniform format prescribed by the Bureau. The initial disclosure and information required must be submitted on or before October 1, 2026, for the 2025 calendar year, and subsequent disclosures and information are to be submitted on or before March 31 of each year thereafter for the preceding calendar year. The legislation contains provisions to protect confidential information and requirements to ensure that data remains aggregated and de-identified. The Bureau must compile and analyze the information submitted and prepare a report summarizing such information in aggregate form. The Bureau must submit the report to the Chairs of the House Committee for Courts of Justice and the Senate Committee for Courts of Justice and to the ranking members of the minority party serving on such committees and shall make the report publicly available on the General Assembly's website as soon as practicable after receipt of the required disclosures. The provisions of this section are set to expire upon the effective date of any act of the General Assembly establishing a new limitation on recovery for medical malpractice actions pursuant to § 8.01-581.15. *This legislation passed and was signed by the Governor.*

Birth Injury Fund Awards

HB1007 (Tran)/ SB398 (Perry)/ SB434 (McPike) makes changes to the Virginia Birth-Related Neurological Injury Compensation Program and Fund. The legislation provides that a civil action arising out of or related to a birth-related neurological injury against a participating hospital or physician shall be referred to the Virginia Workers' Compensation Commission and that, in handling the assets of the Fund, the Program shall be deemed a fiduciary for the Commonwealth. Under the legislation, the costs of the Virginia Workers' Compensation Commission maintaining an electronic filing system for the submission of petitions shall be reimbursed from the Fund. The legislation includes compensation for services provided by an education advocate. The legislation alters the composition of the Program's board of directors to include three relatives of current or former beneficiaries, allows for the electronic submission of claims, and expands discovery of parties to a claim. The legislation further requires the Program's board of directors to establish a blanket surety bonding program for all employees with access to the Fund and requires the board to meet at least once monthly. Finally, the legislation increases from \$100,000 to \$500,000, the amount that may be awarded to families whose infant has sustained a birth-related neurological injury. SB434 was incorporated into SB398. *This legislation passed and was signed by the Governor.*

Legal Liability

The General Assembly continued pursuit of policies to expand legal liability for employers and businesses, including authorizing class action lawsuits in state court and increasing appeal (suspension) bond caps. These measures make it easier to bring large, aggregated claims and more costly for defendants to appeal major judgments.

Class Action Lawsuits

HB449 (Simon)/ SB229 (Surovell) would have established a class action framework under Virginia state law. The bill would have provided that one or more members of a class may, as representative parties on behalf of all members, bring a civil action or may be proceeded against in a civil action, provided that (i) the class is so numerous that joinder of all members is impracticable, (ii) there are questions of law or fact common to the class, (iii) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (iv) the representative parties shall fairly and adequately protect the interests of the class. The bill would have further set out the procedure to certify a class action, the duties of counsel appointed in a class action, the various orders a court may issue during the course of a class action, and the process by which a settlement, voluntary dismissal, or compromise may occur. The bill would have also applied the procedure by which an individual may be awarded damages in an action for a violation of the Virginia Consumer Protection Act to a class action. Finally, the bill would have permitted the Court of Appeals to permit an appeal to be taken from an order certifying a class in accordance with the provisions of the bill or any other order that is not a final order of the circuit court in a class action. The bill would have had a delayed effective date of January 1, 2027. *This bill was vetoed by the Governor.*

Business and Complex Litigation Dockets

HB604 (Willett) would have established a specialty docket, known as the business and complex litigation docket, to assist circuit courts with certain civil actions that involve specialized legal issues, complex contexts, intricate transactions, multiple parties, or other complicating factors. The bill would have provided that for an action to be eligible to be considered for a business and complex litigation docket, the action shall (i) present special complexity, including specialized issues or acute litigation management needs, and (ii) fall into one or more of several enumerated categories of civil actions. *This bill was continued to the 2027 Session in the Courts of Justice Committee.*

Vicarious Liability; Vulnerable Victims

SB537 (Obenshain) would have clarified that when determining an employer's vicarious liability in an action for personal injury or death brought by a vulnerable victim against an employee, the definition of "vulnerable victim" shall include only those persons enumerated in the legislation. *This bill was passed by indefinitely in the Courts of Justice Committee.*

Appeal Bonds

HB1111 (Hernandez) increases the cap currently in place for suspension bonds and irrevocable letters of credit for appellants during the pendency of an appeal of a civil action from \$25 million to \$50 million, regardless of the value of the judgment. The legislation also requires, beginning April 1, 2031, and at each five-year interval ending on April 1 thereafter, this monetary cap to be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics of the U.S. Department of Labor. *This legislation was passed and signed by the Governor.*

Long-Term Care

Nursing Home Minimum Staffing

HB605 (Willett) as introduced would have established a minimum staffing standard for nursing homes to provide at least 3.25 hours of case mix-adjusted total nurse staffing hours per resident per day on average, but the legislation was subsequently amended to direct the Joint Commission on Health Care to evaluate the workforce in Virginia’s nursing facilities and to develop recommendations on several topics outlined in the legislation. The legislation requires the Joint Commission to report its findings to the Governor and the Chairs of the House Committees on Health and Human Services and Appropriations and the Senate Committees on Education and Health and Finance and Appropriations by December 1, 2026. *This legislation passed and was signed by the Governor.*

Nursing Home Inspections

HB1104 (Hodges) would have directed the Department of Health to include validation of compliance with federal reporting requirements in its inspection process for certified nursing facilities. The bill would have required certified nursing facilities to submit a quarterly report detailing (i) all self-reported incidents and compliance issues submitted to the Centers for Medicare and Medicaid Services during the preceding quarter; (ii) any corrective actions taken in response to self-reported incidents; and (iii) updates on ongoing investigations related to reported incidents. *This bill was stricken in the Health and Human Services Subcommittee on Health*

Nursing Home Periodic Visits

SB555 (Sturtevant)/ SB429 (Head) requires all nursing homes to notify the resident of a nursing home, the resident’s family, and the Department of Health if a federally required physician visit does not take place. The legislation also requires each nursing home to conduct a comprehensive assessment on an annual basis to determine each resident’s needs and describe each resident’s capability to perform daily life functions. Such assessments must be reviewed at least once every 92 days, and more frequently in the event of a significant change in the resident’s physical or mental condition. SB555 was incorporated into SB429. *This legislation passed and was signed by the Governor.*

Artificial Intelligence

Virginia lawmakers showed interest in regulating AI, particularly chatbots and mental health services and safety oversight. However, nearly all proposals with direct implications for hospitals and health systems were delayed, tabled, or continued to future sessions, largely due to concerns about fiscal impact, conflicts with existing data privacy law, and uncertainty around federal AI policy and funding. For healthcare stakeholders, the 2026 session functioned primarily as a signal-setting year, not an implementation year.

JCOTS Analysis of an Independent Verification Framework

HB797 (Hayes)/ SB384 (Williams Graves) directs the Joint Commission on Technology and Science (JCOTS) to evaluate the feasibility and impact of developing an artificial intelligence regulatory framework using “independent verification organizations” (IVO) that would assess artificial intelligence models’ or applications’ adherence to standards reflecting best practices for the prevention of personal injury and property damage. Originally, both legislations proposed implementing the IVO framework and were later amended to direct a study of artificial intelligence risk, standards, and the proposed IVO framework. *This legislation passed and was signed by the Governor.*

Budget

PENDING GENERAL ASSEMBLY AND GUBERNATORIAL ACTION

The General Assembly and the Governor are still working on an agreement on amendments to the SFY 2027/2028 biennial budget – HB1600. Key highlights in the House and Senate Budget bills related to health care are below:

Medicaid Inflation

The House and Senate chose not to restore inflation and rebasing adjustments for all providers, which were frozen in the introduced budget.

The House budget adds language to allow private hospitals with smaller teaching training operations, to qualify for increased indirect medical education (IME) funding. Qualifying hospitals will have public partners capable of providing the non-federal share of the enhanced funding.

Medicaid Supplemental Payments

The House and Senate budgets retain language authorizing DMAS to require hospitals receiving enhanced Medicaid payments to contract with all Medicaid managed care organizations (MCOs). Hospitals have expressed concerns that the policy could limit their ability to negotiate fair reimbursement and contract protections across Medicaid, commercial, and Medicare Advantage lines of business, potentially creating financial strain.

The House and Senate budgets also contain language prohibiting hospitals from receiving enhanced Medicaid payments if they close a labor and delivery unit that was operational as of January 1, 2026. Hospitals have expressed concerns that tying supplemental Medicaid funding to a single service line could also create financial instability.

Workforce and Childcare

The Senate budget includes \$11 million in supplemental payments to fund graduate medical education residency slots and increase the amount for each slot to \$165,000.

The House budget includes a language amendment to establish an annual data reporting requirement for state-supported residency and fellowship training programs. Participation in the award program will require submission of specified information to the Virginia Health Workforce Development Authority, which may deem noncompliant institutions ineligible for future funding. The amendment also requires DMAS to provide quarterly payment reports, directs the Authority to include findings in its biennial report, and allows unspent funds to be carried forward for future cohorts.

Both the House and Senate budgets include funding for the Employee Child Care Assistance Program. The House includes \$25 million, and the Senate includes \$50 million over the biennium.

Both the House and Senate budgets retain \$137 million over the biennium for childcare subsidy slots that were included in the introduced budget.

Behavioral Health

The Senate budget includes \$5 million over the biennium for the Comprehensive Psychiatric Emergency Program (CPEP).

The Senate budget also includes \$6 million over the biennium for hospital discharge assistance planning for behavioral health patients.

340B

The House budget includes a language amendment requiring DMAS to carve out 340B pharmacy claims from Medicaid medical assistance programs. It provides funding in the first year and generates significant savings in the second year by allowing the state to collect manufacturer rebates on drugs dispensed to Medicaid and CHIP beneficiaries—rebates that are currently unavailable when 340B pricing is used. The proposal is intended to reduce Medicaid drug costs while preserving 340B savings for uninsured and underinsured patients. VHHA opposes this amendment and will work to have it removed from the final budget.

Emergency Medical Services

The Senate budget restores \$29.5 million to provide limited emergency Medicaid coverage of maternity services for women who do not qualify for Medicaid solely based on their citizenship status.

Miscellaneous

The Senate budget includes \$18 million, and the House budget includes \$13.2 million to stabilize Ryan White HIV/AIDS services.

The House and Senate budgets include \$10 million to support the free and charitable clinics.

The House and Senate budgets include funding to strengthen support for individuals with sickle cell disease. The package expands access to specialized treatment, enhances provider coordination, supports statewide education and awareness efforts, and provides additional funding for comprehensive care clinics. The initiatives are designed to improve access to care and advance outcomes for individuals and families affected by the disease.

Senate:

\$1,815,358 SFY 2028 GF for SB 813 Sickle Cell Network
\$800k SFY 2027 GF and \$1,700,000 SFY 2028 GF for Adult Sickle Cell
\$450k SFY 2027 GF and \$900k SFY 2028 GF for Pediatric Sickle Cell

House:

\$11.4 million GF and \$7.8 million NGF for Sickle Cell Disease initiatives
\$7.0 million GF and \$7.8 million NGF for Medicaid coverage of cell and gene therapy treatment
\$4.4 million GF for legislation addressing Sickle Cell Disease

Please contact Brent Rawlings (brawlings@vhha.com) or Julie Dime (jdime@vhha.com) with any questions regarding this material. More information on these and other measures considered during the 2026 General Assembly Session is available at <https://lis.virginia.gov/>

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