



2026 Bill & Budget Update

As of June 30, 2026

Budget Update

Positive news: On June 29, the General Assembly approved and Gov. Abigail Spanberger signed Virginia's budget for state fiscal years 2027-2028. The new budget, which is effective on July 1, includes many positive developments for VHCA-VCAL members.

- Legislators agreed to a three-year delay in Medicaid rebasing. This is the length of delay the VHCA-VCAL Board of Directors supported and we advocated for. The budget directs DMAS and stakeholders, including VHCA, to identify and examine methodological concerns with the reimbursement system, and to the extent necessary, propose modifications to address those concerns. The group is also directed to review and recommend quality improvement initiatives to be incentivized within the payment rate to promote improved quality. VHCA-VCAL supports this approach and looks forward to continuing to work with legislators to ensure that the reimbursement system is modernized and covers the cost of care for our seniors.
- We are also very pleased to see that for SFY27 the budget includes \$70 million in additional funding intended for nursing homes. DMAS is authorized to implement this increase as an addition to the current per diem rates for nursing homes and specialized care facilities in both Cardinal Managed Care and fee-for-service programs. The association will share additional details about how these funds will ultimately be distributed as soon as they are available.

Budget Provisions affecting VHCA-VCAL Members

Issue	Budget Action/Funding
Nursing Facility Rebasing	3-year rebasing delay - DMAS review of reimbursement methodology / inclusion of quality components - VHCA participation - Report to General Assembly
Nursing Facility VBP Program	Retains ~\$184 million in funding
Medicaid Financial Sustainability Workgroup	VHCA named as participant
Nursing Home Complaint Backlog	\$1,042,000 each year of the budget (\$2,084,000 total general funds) to fund eight Medical Facility Inspector positions to address the nursing home complaint backlog
Veterans Care Centers Financial Workgroup	Establishes workgroup with 2 VHCA-designated financial experts
The Virginia Home Reimbursement Protection	Preserves reimbursement protections
Long Term Care Nursing Scholarship Program	Continues \$64,000 in existing annual funding

Inflation: Sadly, and as expected, although Virginia law provides a methodology for inflationary adjustments to Medicaid nursing facility reimbursement rates, this budget does not fund those adjustments, leaving nursing homes without reimbursement increases to offset rising costs.

Bills That Passed

What to prepare for: For legislation that requires action by providers, see the related notes at the end of each topic. This summary covers legislation affecting nursing home and assisted living facility operations, General Assembly-directed studies impacting providers, and employment law related changes.

- Unless otherwise indicated, legislation that passed will take effect on July 1, 2026.

Nursing Facility and Assisted Living-Related Legislation

Nursing facility staffing standard: Legislators again considered the issue of nursing home staffing. The General Assembly passed [HB 605](#), which as introduced included a staffing mandate, but in its final form directs the Joint Commission on Health Care (JCHC) to conduct a comprehensive study of the nursing facility workforce.

- As introduced, HB 605 included a 3.25 hrpd acuity adjusted nurse staffing standard, which VHCA-VCAL did not support. The association worked with the bill patron Del. Rodney Willett (D-Henrico) to align the bill with the VPB metric for total nurse staffing.
- On February 12, the House Health and Human Services (HHS) Committee adopted a substitute bill to require nursing facilities to provide at least 3.08 hours of case mix-adjusted total nurse staffing hours per resident per day on average by July 1, 2027. The standard would increase to 3.25 hours effective July 1, 2031. The substitute included language tying enforcement to initial and ongoing funding for the state's share of the cost of the standard in the Medicaid base rates. It also specifies that if funding for the Medicaid VBP program is reduced or suspended below the 2025 levels adjusted for inflation, the standard cannot be enforced. Lastly, the substitute directed the JCHC to include VHCA-VCAL and other stakeholders in an assessment of the feasibility of an RN hours of care component and consideration of the contributions of other direct care professionals providing hands-on care in meeting a future standard.
- Because HB 605 had a fiscal impact on the state budget, the bill was referred to the House Appropriations Committee. That committee then adopted a second substitute converting HB 605 to a bill directing the JCHC to conduct a comprehensive study of the nursing facility workforce by December 1, 2026.
- VHCA-VCAL staff works closely with the JCHC and has already been in communication with the commission staff so we can be a valued resource for its work.

>>Current status: The JCHC has added this study to its 2026 work plan. VHCA-VCAL will be actively engaged in supporting legislators' or commission staff requests for information about the nursing workforce.

Change of operator: Bills developed and supported by VHCA-VCAL to improve the transparency around nursing facility change of operator passed unanimously and were signed by the governor.

- [SB 247](#), introduced by Sen. Barbara Favola (D-Arlington), and [HB 717](#), introduced by Del. Willett, closed a critical gap in resident protections by strengthening oversight during nursing home operator transitions.
- Provisions in the bill will require new operators to disclose ownership structure and performance history in Virginia and other states. Operators with a history of bankruptcies, license denials, or suspensions can be denied licensure. Additionally, an entering operator will be required to post a bond or other financial security that must remain in place for five years. In the event the entering operator changes, gets into financial or licensure trouble, VDH can use that security for the benefit of the residents.

>>What to prepare for: Based on current information, we estimate the regulation could be enforced by the end of 2026, aligned with the annual license renewal cycle. This projected timeline is contingent on the VDH Office of Licensure and Certification (OLC) completing the exempt regulatory process, finalizing necessary system changes, and securing the required staffing.

Required liability insurance coverage: The introduced version of [SB 535](#) required that if a nursing home or certified nursing facility meets its required minimum liability insurance coverage with a claims-made insurance policy, such a policy includes an extended reporting period of at least two years. Bill patron Sen. Mark Obenshain's (R-Harrisonburg) intention with the legislation was to ensure that when a nursing facility is sold or is closing that there is an extension of professional liability or general liability insurance to make sure there is no gap in coverage for patients that may be harmed.

- VHCA-VCAL discussed amendments to the bill that helped to meet this goal and reflected current coverage availability and best practices.
- The Senate has advanced a substitute bill that reflects VHCA-VCAL's proposed amendments to require that the purchaser of a nursing facility would either have to buy tail coverage on the seller's policy or purchase new coverage with a retroactive date for two years prior to sale.

>>What to prepare for: As a reminder, all facilities will be required to provide proof of liability insurance during surveys throughout 2026. We anticipate updates to the licensing portal that will require facilities to upload this documentation annually as part of the license renewal process.

Periodic visits and resident assessments conducted by medical directors: As introduced, [SB 555](#) included several requirements of concern to VHCA-VCAL, including a mandate that nursing homes ensure each resident receives a visit at least monthly by a physician, physician assistant, or nurse practitioner after the initial 90-day monthly visit requirement.

- VHCA-VCAL communicated with bill patron Sen. Glen Sturtevant (R-Chesterfield) to detail the mandatory federal regulations under the CMS Requirements of Participation. We offered the patron amendments to align the bills visit and assessment schedules with the federal requirements.
- When the bill was heard by the health professions subcommittee of the Education and Health Committee, the subcommittee adopted a substitute to align Virginia's medical visit and assessment schedules with the federal requirements. Under the amended bill, no additional requirements would be imposed on providers unless the federal physician visit schedule is not met, in which case notice must be provided to the resident and the resident's representative.
- When the bill was heard in the House of Delegates, it was incorporated in the broader study directed by SB 429 (more info below).

>>What to prepare for: While SB 555 was ultimately included in the SB 429 study, this presents a valuable opportunity to review your current physician, PA, and NP visit practices. Consider whether there are opportunities to strengthen scheduling, documentation, or tracking processes to ensure alignment with existing requirements and support consistent oversight of resident assessments.

Electronic monitoring of resident rooms in ALFs: [SB 409](#) allows electronic monitoring in resident rooms in ALFs using the same language allowing monitoring in nursing facilities passed in 2025. As the bill was considered, VHCA-VCAL conferred with ALF members to ensure they fully understood the requirements outlined in the legislation.

>>What to prepare for: With the bill signed into law, DSS will begin the regulatory development process to implement these requirements. VHCA-VCAL will actively participate in this process and keep members informed as regulations are developed, refined, and finalized, including any operational or compliance requirements. During the legislative session, discussions were focused on ensuring these regulations closely mirror those implemented for nursing homes last year, which included important safeguards to protect resident choice, dignity, and privacy.

Requirement for automated external defibrillators (AED): [HB 1522](#) requires nursing homes and ALFs to have and maintain an AED and have staff trained to use the devices.

- Although VHCA-VCAL worked to have a delayed effective date for the legislation to ensure time for compliance, that language was removed from the bill in the Senate Education and Health Committee.

>>What to prepare for: With the July 1, 2026 effective date approaching, all nursing home and assisted living providers should ensure each building has an AED in place and that devices are fully operational. This includes confirming the readiness indicator, verifying that electrode pads and batteries are well within expiration dates, and completing a 100% audit of direct care staff CPR certifications to ensure training includes AED use.

General Assembly-Directed Studies

VDH nursing home oversight and accountability: [SB 429](#) directs VDH and the State Health Commissioner to take steps to improve care quality, protect residents, and strengthen oversight and accountability of nursing homes in the Commonwealth.

- The bill directs VDH to enhance recruitment efforts and expand workforce capacity in OLC, accelerate training and onboarding initiatives, and explore measures to reduce administrative burdens. The bill requires the commissioner to submit an annual report with recommendations for continuing improvement of nursing home quality and oversight.
- VHCA-VCAL supported this bill for its emphasis on improving OLC's accountability for survey timeliness.

Comprehensive study of quality of care in nursing facilities: As introduced, [HB 1357](#) directed the Department for Aging and Rehabilitative Services (DARS) to convene a work group of relevant stakeholders for the purpose of conducting a comprehensive study of the quality of care, resident safety, and operational practices of nursing facilities in the Commonwealth. The bill specifically designates nursing home administrators among the stakeholders to be included in the work group.

- Due to resource constraints at DARS, the bill was amended to direct the JCHC to conduct the study and report its findings and recommendations by December 1, 2027.

Medical cannabis: Legislators introduced numerous bills to allow broader use and access to medical cannabis. VHCA-VCAL worked with bill patrons to explain how medication administration requirements in long term care settings could be impacted, particularly with respect to the use of third-party delivery services, and ensuring safe, timely, and compliant medication handling.

- Legislators have adopted substitute language to two bills related to expanded access to medical cannabis for terminally ill patients, [HB 75](#) and [SB 332](#). The substitute language directs VDH to convene a work group that includes VHCA-VCAL and other health care stakeholders familiar with issues associated with providing care to individuals experiencing chronic illness to discuss the implementation process for providing cannabis products to patients within medical care facilities. The work group will 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 as well as interaction with applicable state laws. It must develop a report including written guidelines for the use of medical cannabis within medical care facilities and the safe operations of medical care facilities by November 1, 2026.

>>What to prepare for related to the studies: With multiple studies in the planning and early coordination stages, outreach has begun to establish stakeholder workgroups, VHCA-VCAL will be working closely with both VDH and the JCHC over the coming months to ensure strong provider engagement. Facilities should be prepared for opportunities to participate, including potential onsite visits and virtual meetings, as state agencies seek provider input to better understand current practices, implementation considerations, and opportunities for improvement across care delivery and operations.

Employment Law Legislation

Minimum wage increase: [HB 1](#) and [SB 1](#) will raise the minimum wage incrementally from the current \$12.77 per hour to \$13.75 on January 1, 2027 and \$15.00 per hour by January 1, 2028.

- Thereafter wages will be adjusted to reflect increases in the Consumer Price Index.

Paid sick leave: [SB 5](#) and [SB 372](#) requires employees of private employers and state and local governments be provided with one hour of paid sick leave for every 30 hours worked.

- 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 bill 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 bill has a delayed effective date of July 1, 2027.

Non-compete severance: [SB 170](#) provides that any new non-compete agreements are not enforceable if the employer discharges the employee from employment without providing severance benefits or other monetary payment that is disclosed upon execution non-compete agreement unless the employee is discharged for cause.

Health care noncompetes: [SB 128](#) and [HB 627](#) adds health care professionals as a category of employee with or upon whom no employer shall enter into, enforce, or threaten to enforce a covenant not to compete.

- The bill defines "health care professional" as any person licensed, registered, or certified by the Board of Medicine, Nursing, Counseling, Optometry, Psychology, or Social Work.

Pay transparency: [HB 636](#) and [SB 215](#) prohibit employers from seeking an applicant's wage or salary history and require that every job posting includes a pay range.

>>What to prepare for the employment law legislation: Employers need to update agreements, job postings, and hiring practices before July 1, 2026 to avoid potential legal exposure.

- Review this [advisory from Hancock Daniel](#) which includes a compliance timeline.

Bills That Were Tabled / Defeated / Stricken

Related party rent disclosure and VPB reduction: [SB 808](#) was continued to 2027 by a 14-1 vote in the Senate Education and Health Committee following an earlier hearing on the bill during which VHCA-VCAL Chair Wendy Walter and member Ashley Jackson testified in opposition to the bill on VHCA-VCAL's behalf.

- VHCA-VCAL opposed the bill because it wrongly ties a nursing facility's financial arrangements to quality outcomes used in Virginia's Medicaid Value-Based Purchasing program, despite no evidence that rent levels correlate with resident care outcomes. Moreover, nursing homes already report rental payments under CMS cost reporting rules for "related organizations." This bill would have created a conflicting state definition of "related party," which does not align with the CMS term.

Publicly accessible NF and ALF information portal: [HB1116](#), which would have codified the nursing facility information portal created under Gov. Glenn Youngkin's administration and create a similar one for DSS for ALFs, was tabled by the HSS subcommittee of the House Appropriations Committee because of its fiscal impact.

- The bill also contained language requiring nursing homes and ALFs to provide quarterly reports to VDH or DSS with information key facility performance metrics, and any newly identified additional data reporting items, including incidents involving emergency medical services.
- VHCA-VCAL worked with the bill patron Del. May Nivar (D-Henrico) to get the bill in a favorable posture. These conversations included detailed explanations about the self-reporting obligations nursing facilities have using the Facility Reported Incidents process. The association also had discussions with VDH and DSS about the impact of the bill on their operations.

Inspection of certified nursing facilities; compliance with federal reporting requirements: [HB 1104](#) would have directed VDH to include validation of compliance with federal reporting requirements in its inspection process for certified nursing facilities. The bill also would have required certified nursing facilities to submit a quarterly report detailing all self-reported incidents and compliance issues submitted to CMS during the preceding quarter; any corrective actions taken in response to self-reported incidents; and updates on ongoing investigations related to reported incidents.

- VHCA-VCAL met with bill patron Del. Keith Hodges (R-Middlesex County) to discuss existing reporting requirements under federal regulations. Following that conversation, Del. Hodges asked that his bill be stricken from the docket, ending its consideration for the year.

ALF resident referral agencies: The House and Senate versions of the bills ([HB 297](#) and [SB 791](#)) to set forth requirements for resident referral agencies, defined in the bill as any individual or entity that receives compensation from an ALF, a third party, or a prospective resident for providing resident referrals to an ALF, were continued to 2027, effectively ending their consideration for the year.

- VHCA-VCAL had extensive conversations with other stakeholders and DSS to ensure the bills would not establish new obligations on ALFs related to the use of referral agencies.

Maximum temperature settings in ALFs: [HB 81](#) was continued to 2027. It would have changed the maximum temperature settings in ALFs, Department of Corrections Facilities, and other settings.

- VHCA-VCAL spoke with bill patron Del. Marcia Price (D-Newport News) about excluding ALFs from the legislation since her objective is regulating temperatures in correctional institutions. We provided her with an amendment to remove ALFs from the bill altogether. The bill had a significant fiscal impact due to its implications for correctional facilities.
- VHCA-VCAL will continue to work with Del. Price outside of session to ensure ALFs are not included in any proposed legislation next year.

Involuntary discharge notice: [HB 1088](#), which would have extended the notification period for an involuntary discharge from 30 days to 45 days, was stricken from the docket by the social services subcommittee of the HHS Committee on January 29.

- VHCA-VCAL met with the bill patron Del. Wendell Walker (R-Lynchburg) to explain that this issue has been worked on over many years and that extending the timeframe for involuntary discharges could be detrimental, as these situations are not ordinary discharge scenarios.

Palliative care: [HB 435](#) was intended to direct the Board of Health to include in its regulations for nursing homes and other providers a system for identifying patients or residents who may benefit from palliative care and provide information about these services.

- Before the bill was tabled by the HHS subcommittee of the House Appropriations Committee, VHCA-VCAL spent time explaining to the bill patron, Del. Destiny LeVere Bolling (D-Henrico) that while CMS regulations do not address palliative care, they include extensive guidance on hospice care, which is provided by nursing facilities.

Medical malpractice cap: Sen. Bill Stanley (R-Bedford) again introduced a bill, [SB 99](#), to repeal the medical malpractice cap in actions against a patient age 10 or younger.

- The Senate Finance and Appropriations Committee, to which the bill was referred after it was heard by the Courts of Justice Committee, voted 13-2 to continue the bill to 2027.

In-person visitation: Del. Will Davis (R-Franklin County) introduced HB 1478 to add requirements for in-person visitation policies at nursing facilities, ALFs, and other settings that touched on a number of infection control and vaccination issues.

- VHCA-VCAL informed the patron about existing state and federal requirements regarding visitation of patients and residents. Following that discussion, he agreed to strike the bill.

Medical aid in dying: The House Courts of Justice Committee voted to continue [HB 886](#) to 2027. The bill would have allowed an adult diagnosed with a terminal disease to request an attending health care provider to prescribe a self-administered controlled substance for the purpose of ending the patient's life. A similar Senate bill, [SB 359](#), was defeated in a vote (7-Yes / 8-No) by the Education and Health Committee.

Uniform Health Care Decisions Act: The House passed [HB 548](#), which repeals most provisions of the Health Care Decisions Act and enacts the Uniform Health Care Decisions Act.

- The bill creates a process for the execution of advance health care directives, as defined in the bill; establishes criteria for determining the capacity of an individual to make health care decisions; provides for the establishment of a default surrogate in the absence of an appointed agent for health care decisions; establishes powers and duties of agents appointed by powers of attorney for health care; and establishes duties of health care professionals. The bill was continued into the 2027 session.

Emergency generators: As introduced, [SB 336](#) directed the Department of Environmental Quality to amend its regulations regarding the use of emergency generators to state that the use of Tier 2 generators shall be limited only to sudden and unforeseeable outage events that do not include planned outage events.

- A substitute bill passed the Senate and specified that the bill was directed to data center generators. The bill now directs the State Corporation Commission to evaluate the impact of requiring data centers to limit the use of Tier 2 generators and prioritize the use of Tier 4 equivalent or better generators. The bill was ultimately continued into 2027.

Paid family and medical leave insurance program: [HB 1207](#) and [SB 2](#) require the Virginia Employment Commission to establish and administer a paid family and medical leave insurance program with benefits beginning January 1, 2029.

- Under the program, benefits would be paid to covered individuals for up to 12 weeks of family and medical leave in any application year. Funding for the program would be provided through premiums assessed to employers and employees beginning April 1, 2028. The bill 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.