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Fast-Track Regulation
Agency Background Document

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC30-10-570,12VAC30-20-150, 12VAC30-20-160, 12VAC30-141-160, and 12VAC30-141-800
VAC Chapter title(s)	State Plan under Title XIX of the Social Security Act Medical Assistance Program; General Provisions; Administration of Medical Assistance Services; Family Access to Medical Insurance Security Plan
Action title	Removal of Cost-Sharing
Date this document prepared	September 3, 2026

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The General Assembly required DMAS to remove co-payments for Medicaid and FAMIS enrollees effective April 1, 2022, in the wake of the federal public health emergency (PHE) related to the Coronavirus Disease 2019 (COVID-19) pandemic. The General Assembly mandate indicated that co-payments should be removed, but did not mention the term “cost-sharing” and did not reference “deductibles” or “co-insurance.” DMAS regulations included all of these terms, and although the regulatory text indicated that DMAS did not collect deductibles or co-insurance, it was determined that the General Assembly mandate was not sufficient to allow for the removal of those terms from Virginia regulations, The language of the General Assembly mandate

changed in 2026 to allow for the removal of all of the appropriate terms, and this regulatory package follows that change.

This regulatory package reflects current DMAS practice, as co-pays were removed in response to the initial General Assembly mandate in 2022. DMAS did not collect deductibles or co-insurance, so there is no impact to providers or members as a result of the removal of those terms from the regulations.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CHIP = Children's Health Insurance Program

CMS = Centers for Medicare and Medicaid Services

COVID-19 = Coronavirus Disease 2019

DMAS = Department of Medical Assistance Services

FAMIS = Family Access to Medical Insurance Security

PHE = Public Health Emergency

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On September 3, 2026, the Department of Medical Assistance Services adopted final amendments to the "Removal of Cost Sharing" regulation.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Consistent with Virginia Code § 2.2-4012.1, also explain why this rulemaking is expected to be noncontroversial and therefore appropriate for the fast-track rulemaking process.

The Code of Virginia § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance and to promulgate regulations. The Code of Virginia § 32.1-324, grants the Director of the Department of Medical Assistance Services the authority of the Board when it is not in session.

The full text of the 2022 through 2025 Appropriation Acts, authorizing the removal of co-payments for Medicaid and FAMIS enrollees is included in the Legal Basis section below. Those citations are: the 2022 Appropriation Act, Item 304.FFFF, the 2023 Appropriation Act (Special Session 1), Item 304.FFFF, the 2024 Appropriation Act, Item 288.AAAA, and the 2025 Appropriation Act, Item 288.AAAA.

The full text of the 2026 Appropriation Act item (Item 291.UUU) authorizing the removal of cost-sharing, including co-payments, co-insurance, and deductibles, is included in the Legal Basis section below.

These regulatory changes are expected to be non-controversial because they are already in place. A Medicaid state plan amendment (SPA 20-009) and a CHIP state plan amendment (SPA 22-021) have been approved by CMS and these changes will replicate the state plan text in the Virginia Administrative Code.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Code of Virginia § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance and to promulgate regulations. The Code of Virginia § 32.1-324, grants the Director of the Department of Medical Assistance Services the authority of the Board when it is not in session.

The 2022 through 2025 Appropriation Act, Item 288.AAAA, states that DMAS "shall amend the state plans under Titles XIX and XXI of the Social Security Act, and any waivers thereof as necessary to remove co-payments for enrollees. Such change shall be effective April 1, 2022, or upon expiration of the federal public health emergency related to the Coronavirus Disease 2019 (COVID-19) pandemic, whichever is earlier."

The 2026 Appropriation Act, Item 291.UUU states that DMAS "shall amend the state plans under Titles XIX and XXI of the Social Security Act, and any waivers thereof as necessary to remove all cost sharing, including co-payments, co-insurance, and deductibles for enrollees. Such change shall be effective April 1, 2022, or upon expiration of the federal public health emergency related to the Coronavirus Disease 2019 (COVID-19) pandemic, whichever is earlier. The department shall have the authority to implement this change prior to the completion of any regulatory process to effect such changes."

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

The purpose of this action is to remove cost sharing references from Medicaid and FAMIS regulations in accordance with a General Assembly mandate. These regulatory changes are essential to protect the health, safety, and welfare of Medicaid Members, because removing co-payments and other cost sharing reduces members' out-of-pocket expenses, may increase access to care, and represents an effort to reduce health disparities.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

The 2026 Appropriation Act, Item 291.UUU required DMAS to amend the state plan to remove all cost sharing for Medicaid and FAMIS enrollees. The sections of the State regulations that are affected by this action are 12VAC30-10-570, 12VAC30-20-150, 12VAC30-20-160, 12VAC30-141-160, and 12VAC30-141-800.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

Removing cost sharing reduces members' out-of-pocket expenses, may increase access to care, and represents an effort to reduce health disparities. These changes create no disadvantages to the public, the Agency, the Commonwealth, or the regulated community.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no requirements in this regulation that are more restrictive than applicable federal requirements.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or

regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

No state agencies, localities, or other entities are particularly affected by this change.

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits), anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

For your agency: projected costs, savings, fees or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources	None
For other state agencies: projected costs, savings, fees or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	None
For all agencies: Benefits the regulatory change is designed to produce.	Removing cost sharing in accordance with a General Assembly mandate.

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees or revenues resulting from the regulatory change.	None
Benefits the regulatory change is designed to produce.	Removing cost sharing in accordance with a General Assembly mandate.

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	None
Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small	None

business means a business entity, including its affiliates, that: a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than $6 million.	
All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	None
Benefits the regulatory change is designed to produce.	Removing cost sharing in accordance with a General Assembly mandate.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

No alternative methods will accomplish the objectives of the General Assembly mandate, which requires DMAS to remove cost sharing for Virginia Medicaid and FAMIS members.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

No alternatives can achieve the objective of the General Assembly mandate. This regulatory action is not expected to affect small businesses.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

Consistent with § 2.2-4011 of the Code of Virginia, if an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall: 1) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register and 2) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

If you are objecting to the use of the fast-track process as the means of promulgating this regulation, please clearly indicate your objection in your comment. Please also indicate the nature of, and reason for, your objection to using this process.

DMAS is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal and any alternative approaches, (ii) the potential impacts of the regulation, and (iii) the agency's regulatory flexibility analysis stated in this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to Syreeta Stewart, DMAS, 600 E. Broad Street, Richmond, VA 23219, 804-839-7282, Syreeta.Stewart@dmas.virginia.gov. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an existing VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between existing VAC Chapter(s) and the proposed regulation. If existing VAC Chapter(s) or sections are being repealed and replaced, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
12 VAC 30-10-570		Describes recipient cost sharing and similar charges.	Text changes are made to indicate that DMAS does not charge cost-sharing deductibles, co-insurance, or co-payments to individuals covered under Medicaid.

12 VAC 30-20-150		Charges imposed on the categorically needy and Qualified Medicare Beneficiaries for services other than those provided under 42 CFR 447.53.	This section of the VAC is being repealed.
12 VAC 30-20-160		Charges imposed on the medically needy and Qualified Medicare Beneficiaries for services other than those provided under 42 CFR 447.53.	This section of the VAC is being repealed.
12 VAC 30-141-160		Describes co-payments for families not participating in FAMIS Select.	Text changes are made to indicate that co-payments shall not apply to FAMIS enrollees in a MCHIP or fee-for-service.
12 VAC 30-141-800		Describes co-payments imposed on pregnant women enrolled in FAMIS MOMS.	This section of the VAC is being repealed.