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HOUSE BILL NO. 817

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact § 32.1-345 of the Code of Virginia, relating to State/Local Hospitalization Program; Director of Medical Assistance Services; exemption from reporting requirement.

Patron—Downey

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-345 of the Code of Virginia is amended and reenacted as follows:

§ 32.1-345. Counties and cities required to participate; allocation and payment of funds to and payments by counties and cities.

A. The governing body of each city and county in the Commonwealth shall participate in the State/Local Hospitalization Program for indigent persons established in this chapter.

B. The Director shall allocate annually to the counties and cities of the Commonwealth such funds as may be appropriated by the General Assembly for this program. The allocation of state funds shall be based on the estimated total cost of required services in each county and city less the funds which shall be provided by the counties and cities.

C. Each county and city shall provide funds for a share of the estimated total costs as determined by the Director. The share for each county and city shall be calculated by dividing its per capita revenue capacity by the statewide total per capita revenue capacity, as determined by the Commission on Local Government, and by multiplying the resulting ratio by an aggregate local share of twenty-five percent. Each local share shall be adjusted according to local income, as determined by dividing the median adjusted gross income for all state income tax returns in each county and city by the median adjusted gross income for all income tax returns statewide. However, no county or city shall contribute more than twenty-five percent to the total cost for providing required hospitalization and treatment for indigent persons. *The If such funds are appropriated by the General Assembly for this program during a fiscal year, then the Director of Medical Assistance Services shall report each year by December 1 of such fiscal year to the Senate Committees on Education and Health and on Finance and Appropriations and the House Committees on Health and Human Services and Appropriations on the estimates of the costs of the program, based on trend analyses of the estimated costs of the actual local per capita demand.*

D. Upon allocation of funds appropriated pursuant to subsection B of this section, each city and county shall remit within thirty days to the Department the amount determined to be the local share pursuant to subsection C of this section.