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HOUSE BILL NO. 1245

Offered January 14, 2026

Prefiled January 14, 2026

A BILL to amend and reenact §§ 32.1-366 and 32.1-367 of the Code of Virginia, relating to Virginia Health Care Fund; additional funding sources and uses; emergency.

Patron—Henson

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:**1. That §§ 32.1-366 and 32.1-367 of the Code of Virginia are amended and reenacted as follows:****§ 32.1-366. Virginia Health Care Fund established.**

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Health Care Fund, hereafter referred to as the "Fund." The Fund shall be established on the books of the Comptroller and any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. For purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

B. All revenue received by the Commonwealth pursuant to the provisions of (i) §§ 58.1-1001 and 58.1-1018, (ii) Article 2.1 (§ 58.1-1021.01 et seq.) of Chapter 10 of Title 58.1, and (iii) § 3.2-4203 shall be paid into the state treasury and deposited to the Fund. The Comptroller shall also deposit 40 percent of the Commonwealth's allocation pursuant to the Master Settlement Agreement with tobacco product manufacturers, as defined in § 3.2-3100, to the Fund. The Fund shall also consist of all recoveries received during a fiscal year resulting from expenditures incurred in the Medicaid program during a prior fiscal year or years to the extent that such amounts represent recoveries of state funds that would otherwise be deposited to the general fund of the state treasury.

C. Additional moneys in the Fund may include (i) moneys as appropriated in the general appropriation act for health care services to populations protected by the Virginia Human Rights Act (§ 2.2-3900 et seq.); (ii) any funds from public or private sources for health care services to populations protected by the Virginia Human Rights Act, including gifts, grants, or donations; and (iii) interest earned on these sources.

§ 32.1-367. Uses of Virginia Health Care Fund.

A. Moneys deposited to the Fund ~~shall may be used solely for the provision of health care services. Such moneys shall be appropriated as provided in the general appropriation act. Health care services include, but are not limited to, for the following purposes:~~

1. Providing health care services, including Medicaid payments, disease diagnosis, prevention and control, and community health services;

2. Awarding grants to health care entities that (i) provide health care services to populations protected by the Virginia Human Rights Act (§ 2.2-3900 et seq.), including access to health care services, or (ii) have a demonstrated history of contracting with, or receiving support from, state or local governmental agencies or public funding sources that have been discontinued, decreased, or limited by local, state, or federal action;

3. Expanding health care services for populations protected by the Virginia Human Rights Act (§ 2.2-3900 et seq.) through (i) funding the development, evaluation, and implementation of model curricula, demonstration projects, and training projects to improve the provision of health care services; (ii) training for medical residents and fellows to practice health care; (iii) training for nurse practitioners, physician assistants, health service psychologists, clinical psychologists, counselors, nurses, and social workers, including for individuals completing clinical training requirements for licensure; (iv) establishing, maintaining, or improving academic programs (a) providing training for students or faculty, including through clinical experiences, to improve their ability to provide culturally competent care and (b) conducting evidence-based practices regarding care for protected populations, including curriculum content standards for programs that provide training for students or faculty as described in clause (a); (v) promoting the capacity of community health centers to provide care to protected populations; (vi) establishing collaborative networks to improve the quality of care for rural providers of protected populations; and (vii) establishing private, mobile, and innovative clinics to meet population needs; or

4. For other purposes to be detailed in procurement issued by the Department.

B. No grants shall be made available for conversion therapy, as defined in § 54.1-2409.5, or a similar purpose. All grantees shall follow nondiscriminatory practices and current evidence-based medical standards.

C. Grants shall be made through a board selected by the Commissioner that is representative of

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59 *populations protected by the Virginia Human Rights Act (§ 2.2-3900 et seq.).*
60 **2. That an emergency exists and this act is in force from its passage.**