



*Commonwealth of Virginia
Office of the Governor*

Executive Order

NUMBER TWO (2026)

LOWERING THE COST OF HEALTHCARE FOR VIRGINIANS AND MAXIMIZING TAXPAYER DOLLARS TO SAVE THE COMMONWEALTH AND ITS CONSTITUENTS MONEY

By virtue of the authority vested in me as Governor under Article V of the Constitution of the Commonwealth of Virginia and under the laws of the Commonwealth, including, but not limited to, §§ 2.2-103 and 2.2-110 of the *Code of Virginia*, I hereby direct the Secretary of Health and Human Resources (the “Secretary”) and all executive branch agencies within the Department of Health and Human Resources, in coordination with other parts of the executive branch, to form the *Interagency Health Financing Task Force* and take action to ensure healthcare affordability for all Virginians.

Importance of the Initiative

The Commonwealth’s health and human resources system is funded through a complex web of federal, state, and non-state dollars that have developed over time and are often managed in silos. This limits the Commonwealth’s ability to maximize federal matching funds and creates inefficiencies and duplicative spending. At the same time, healthcare costs continue to rise due to higher member acuity following Medicaid redeterminations and increasing pharmacy and behavioral health expenditures, placing growing pressure on the General Fund.

The *Interagency Health Financing Task Force* addresses this challenge and ensures taxpayer resources are used efficiently by creating a coordinated, cross-agency financing strategy to fully leverage available federal dollars, align funding streams, and ensure existing resources are used as efficiently as possible without reducing eligibility or access to care. This approach allows Virginia to stabilize the system now and reinvest savings into critical priorities such as behavioral health, workforce capacity, and data modernization, strengthening Virginia's healthcare infrastructure for the long term.

Directive

Pursuant to the authority vested in me as the Chief Executive Officer of the Commonwealth under Article V of the Constitution of Virginia and the laws of the Commonwealth, I hereby direct the Secretary and all executive branch agencies within the Department of Health and Human Resources to take the following actions.

The Interagency Health Financing Task Force

The Secretary, in consultation with the Secretary of Finance, the Director of the Virginia Department of Medical Assistance Services, the State Health Commissioner, the Commissioner of the Department of Behavioral Health and Developmental Sciences, and the Commissioner of the Department of Social Services, shall establish the cross-agency *Interagency Health Financing Task Force*.

The Task Force shall create a financing strategy applicable to all executive branch agencies within the Department of Health and Human Resources that maximizes opportunities to leverage federal funds and eliminates duplicative spending to strengthen Virginia's long-term healthcare infrastructure programs, including behavioral health, workforce development, and data modernization. The strategy should include:

- Identifying initiatives and services most at risk for losing funds, especially as a result of implementation of federal policies such as the *One Big Beautiful Bill Act*;
- Directing a comprehensive inventory of all federal and state health-related funding streams and programs to identify inefficiencies, overlapping programs, and opportunities to use non-state funds;
- Conducting a comprehensive and transparent review of financing processes to ensure that federal appropriations are maximized and effectively distributed, and that state general funds are efficiently and effectively used in the future;
- Directing a review of Managed Care Organization (MCO) performance and oversight, with a focus on outcomes and efficiency of spending; and
- Identifying areas of current under-investment and potential consequences for loss of funds for foundational and high-priority initiatives.

The Task Force shall prepare an executive summary of their findings and recommendations to be delivered to the Office of the Governor by May 1, 2026.

In addition to creating the financing strategy, the Task Force shall coordinate with the Secretary of Administration and Chief Transformation Officer to review systems and processes used across covered agencies to (a) avoid duplication or inconsistency in systems, including technology and platforms; licensing processes; procurement processes; grant management; and other similar systems and processes, (b) improve the citizen experience when interacting with covered agencies, and (c) identify efficiency gains available through consistent use or adoption of existing systems and processes. An initial review of healthcare systems and technology platforms and suggestions for updates shall be delivered by the Chief Transformation Officer to the Office of the Governor by May 1, 2026.

Effective Date of the Executive Order

This Executive Order shall become effective upon its signing and shall remain in full force and effect until amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 17th day of January 2026.



A handwritten signature in black ink that reads "Abigail D. Spanberger".

Abigail D. Spanberger, Governor

Attest:

A handwritten signature in black ink that reads "Jennifer B. Moon".

Jennifer B. Moon, Secretary of the Commonwealth