DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services Center for Medicaid & CHIP Services 233 North Michigan Ave., Suite 600 Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

October 12, 2021

Susan Birch, Director DR. Charissa Fotinos, Acting Medicaid Director Health Care Authority PO Box 45502 Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 21-0016-B

Dear Ms. Birch and Ms. Fontinos:

We have reviewed the proposed Washington state plan amendment (SPA) to attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 19, 2021. This plan amendment extended the temporary rate increase of 150 percent of the hospital's fee-for-service rates that was originally implemented effective July 1, 2018, which is now extended through June 30, 2023, to then be returned to the payment levels and methodology for these hospitals that were in place as of January 1, 2018.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst James Moreth at James.Moreth@cms.hhs.gov or (206) 615-2043.

Sincerely,

Todd McMillion Director

Todd McMillion

Enclosures

HEALTH CARE FINANCING ADMINISTRATION		OMB NO. 0938-0193	
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE	
STATE PLAN MATERIAL	21-0016B	Washington	
FOR HEALTH CARE DIVANCING ARMINISTRATION	3. PROGRAM IDENTIFICATION: TIT	LE XIX OF THE	
FOR: HEALTH CARE FINANCING ADMINISTRATION	SOCIAL SECURITY ACT (MEDICA		
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TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
HEALTH CARE FINANCING ADMINISTRATION	July 1, 2021		
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (Check One):			
, ,			
☐ NEW STATE PLAN ☐ AMENDMENT TO BE O	CONSIDERED AS NEW PLAN		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME			
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	инспинспіј	
	a. FFY 2021 \$0 241,687		
1902(a) of the Social Security Act			
	b. FFY 2022 \$0 687,327		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS	EDED DI AN CECTION	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:			
	OR ATTACHMENT (If Applicable):		
	1.00		
Attachment 4.19-B page 16-2	Attachment 4.19-B page 16-2	e 16-2	
10. SUBJECT OF AMENDMENT:			
Sole Community Inpatient Hospital Rates			
11. GOVERNOR'S REVIEW (Check One):			
GOVERNOR'S OFFICE REPORTED NO COMMENT	◯ OTHER, AS SPEC	IFIED: Exempt	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:		
Many Cline Swalland	Ann Myers		
13. TYPED NAME:	Rules and Publications		
	Division of Legal Services		
MaryAnne Lindeblad	Health Care Authority		
14. TITLE:	626 8th Ave SE MS: 42716		
Medicaid Director			
15. DATE SUBMITTED:	Olympia, WA 98504-2716		
7/19/2021			
FOR REGIONAL OF			
17. DATE RECEIVED: 07-19-2021	18. DATE APPROVED:		
07-19-2021	10/12/2021		
PLAN APPROVED – ON	E COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20_SIGNATURE OF REGIONAL OF	FICIAL:	
7/1/2021	Todd McMillion		
21. TYPED NAME:	22. TITLE:		
Todd McMillion	Director, Division of Reimburseme	ent Review	
23. REMARKS:			
Del 1 1 7, 110 11			
P&I change to box 7 to add financial impact.			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State	WASHINGTON
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VIII. Institutional Services (cont)

A. Outpatient hospital services (cont)

Rate enhancement for Sole Community Hospitals

Effective January 1, 2015, through June 30, 2018, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.25 if the hospital meets all of the following criteria.

To qualify for the rate enhancement, the hospital must:

- Be certified by CMS as a sole community hospital as of January 1, 2013
- Have a level III adult trauma service designation from the Washington State Department of Health as of January 1, 2014
- Have less than one hundred fifty acute care licensed beds in fiscal year 2011
- Be owned and operated by the state or a political subdivision
- As of July 1, 2021, accept single bed certification patients according to RCW 71.05.745

Effective July 1, 2018, through June 30, 2023, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.50 if the hospital meets all of the above criteria for sole community hospitals.

Effective July 1, 2023, the agency will revert to multiplying an in-state hospital's specific EAPG conversion factor by 1.25.

Rate enhancement for low volume, small rural hospitals

Effective October 2, 2020, through June 30, 2021, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.50 if the hospital meets all of the following criteria:

- (a) Has less than seventy (70) available acute care beds, as reported in the hospitals 2018 DOH year-end report;
- (b) Is not currently designated as a critical access hospital;
- (c) Does not meet the current federal eligibility requirements for designation as a critical access hospital;
- (d) Is not participating in the certified public expenditure full cost reimbursement program;
 and
- (e) Has combined Medicare and Medicaid inpatient days greater that eighty (80) percent of total days as reported in the hospital's 2018 cost report.

Effective July 1, 2021, the agency will revert to the payment level and methodology for low volume, small rural hospitals' that was in place as of September 30, 2020.