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**State/Territory Name: Washington** 

State Plan Amendment (SPA) # WA 21-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-26-12 Baltimore, MD 21244-1850



## Financial Management Group

September 29, 2021

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

RE: Washington State Plan Amendment (SPA) 21-0017

Dear Ms. Fontinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0017 effective for services on or after July 1, 2021. This SPA plans to implement changes to the inpatient psychiatric per diem rate for hospitals licensed under chapter as free-standing psychiatric hospitals providing long-term civil commitment services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 21-0017 is approved effective July 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

For

Rory Howe Acting Director

Francis T. McCullough

Enclosure

HEALTH CARE FINANCING ADMINISTRATION		OMB NO. 0938-0193	
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE	
STATE PLAN MATERIAL	21-0017	Washington	
EAD, HEALTH CADE EINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TI	TLE XIX OF THE	
FOR: HEALTH CARE FINANCING ADMINISTRATION	SOCIAL SECURITY ACT (MEDIC	AID)	
	`	<u> </u>	
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 CONSIDERED AS NEW PLAN ☐ AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	NDMENT (Separate Transmittal for each	n amendment)	
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:		
1902(a) of the Social Security Act	a. FFY 2021 \$280,000		
1702(a) of the Social Security Act	b. FFY 2022 \$1,120,000		
O DACE MUMBER OF THE BLANCECTION OF ATTACHMENT.	9. PAGE NUMBER OF THE SUPERS	CEDED DI ANI CECTIONI	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:			
A 1	OR ATTACHMENT (If Applicable)	:	
Attachment 4.19-A Part 1 page 39b			
	Attachment 4.19-A Part 1 page 39b		
10. SUBJECT OF AMENDMENT:			
10. SOBJECT OF AMERICAN.			
Impationt Dayshistria Don Diam Data			
Inpatient Psychiatric Per Diem Rate			
11. GOVERNOR'S REVIEW (Check One):			
GOVERNOR'S OFFICE REPORTED NO COMMENT	☐ OTHER, AS SPEC	CIFIED: Exempt	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		1	
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
The result is estimated within the state of segmenting			
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:		
Many Chine Swallan			
	Ann Myers		
13. TYPED NAME:	Rules and Publications		
MaryAnne Lindeblad	Division of Legal Services		
14. TITLE:	Health Care Authority		
Medicaid Director	626 8th Ave SE MS: 42716		
	Olympia, WA 98504-2716		
15. DATE SUBMITTED:	Olympia, W11 90301 2710		
7/12/2021			
FOR REGIONAL OF			
17. DATE RECEIVED:	18. DATE APPROVED: September 29	9 2021	
July 12, 2021	*	7, 2021	
PLAN APPROVED – ON			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL, OF	FICIAL: For	
July 1, 2021	Francis T. Mc ullow	igh FOI	
21. TYPED NAME:	22. TITLE:	0	
Rory Howe	Acting Director, Financial Management Group		
23. REMARKS:			

#### STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State _	WASHINGTON	

- E. PER DIEM, PER CASE, AND RCC PAYMENT METHODS (cont.)
  - 1. i. PER DIEM RATE (cont.)
    - ✓ Effective for dates of admission beginning July 1, 2020
      Hospitals that have a 12-month Medicare cost report on file, their psychiatric per diem will be the greater of their costs or \$940. If the hospital does not have a 12-month cost report available, their long-term psychiatric per diem rate will be set at the greater of either the average of all in-state provider-specific long-term psychiatric per diem rates or their current short-term psychiatric per diem. The increase is applied to any hospital that accepts patients committed to a psychiatric facility for a period of 90 days or greater. The Agency set the rate so as not to exceed the amounts provided by the Legislature.
    - ✓ Effective for dates of admission beginning July 1, 2021 Acute Care Hospitals with distinct psychiatric units
      - Hospitals that have a 12-month Medicare cost report on file with at least 200 psychiatric bed days, will receive a long term psychiatric per diem rate equivalent to their costs documented on their Medicare cost report on file with the agency.
      - Hospitals that do not have a 12-month cost report with at least 200 bed days, will receive a long-term psychiatric per diem rate equivalent to the greater of either the average of all acute care hospital's providing long term psychiatric services in-state provider-specific long-term psychiatric per diem rates or their current short-term psychiatric per diem. The increase is applied to any hospital that accepts patients committed to a psychiatric facility for a period of 90 days or greater. The Agency set the rate so as not to exceed the amounts provided by the Legislature.

#### Free Standing Psychiatric hospitals

- Hospitals without an existing long-term Rate, will receive a per diem rate
  equivalent to either the greater of their short-term rate or the statewide
  average long term psychiatric rate for free standing psychiatric hospitals.
- Hospitals that have an existing long term per diem will continue to receive the \$940 established for July 1, 2021. In addition to the \$940 per diem rate, the hospital may submit supplemental cost data with their cost reports to the authority for consideration. If approved, the appropriate adjustments to the Medicaid inpatient psychiatric per diem payment rate of the hospital will be made. Adjustment of costs may include any of the following:
  - Costs associated with professional services and fees not accounted for in the hospital's Medicare cost report or reimbursed separately.
  - Costs associated with the hospital providing the long-term psychiatric patient access to involuntary treatment court services that are not reimbursed separately.
  - Other costs associated with caring for long-term psychiatric patients that are not reimbursed separately.

The Agency sets the rate so as not to exceed the amounts provided by the Legislature.