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State/Territory Name: Washington

State Plan Amendment (SPA) # WA 23-0032

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 18, 2023
Charissa Fotinos, Acting Medicaid Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) 23-0032

Dear Director Fotinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0032 effective for services on or after July 1, 2023. The purpose is to update the inpatient rate for free standing psychiatric hospitals and evaluation and treatment centers to allow an enhanced payment for certain patients being discharged from state-owned psychiatric hospitals.

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. We hereby inform you that Medicaid State plan amendment 23-0032 is approved effective July 1, 2023. 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,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 3 2

2. STATE

WA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

1902(a)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ ~~90,115~~ \$560,120
b. FFY 2025 \$ ~~360,460~~ \$4,284,427

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part 1 page 39b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-A Part 1 page 39b

9. SUBJECT OF AMENDMENT

Civil Commitment Rate Enhancement

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

Charissa Fotinos MD, MSc

12. TYPED NAME

Charissa Fotinos MD, MSc

13. TITLE

Medicaid and Behavioral Health Medical Director

14. DATE SUBMITTED

August 8, 2023

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED

August 8, 2023

17. DATE APPROVED

September 18, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

Rory Howe

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

Pen and ink change 8/10/2023 authorized by the state to box 6

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.
 - Hospitals that provide services for patients moving from a criminal to civil commitment will receive a rate enhancement for the additional requirements of these patients.

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