

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
08-012

2. STATE
Washington

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
~~April 1, 2008~~ **July 1, 2008 (P+I)**
August 7, 2008 (P+I)

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 AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

- a. FFY 2008 \$435,498
- b. FFY 2009 \$1,742,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

(P+I) 18a (P+I)
Attachment 3.1-A pages 32b, ~~57~~, 60, 30, 32a (P+I), ~~21a~~
Attachment 3.1-B pages 32b, ~~57a~~, 58, 30, 32a, 51a (P+I)
~~22 (P+I)~~ 18a (P+I)
Attachment 4.19-B, page 6 (P+I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION (P+I)
OR ATTACHMENT (If Applicable):

(P+I) 18a (P+I)
Attachment 3.1-A pages 32b, ~~57~~, 60, 30, 32a (P+I), ~~21a~~
Attachment 3.1-B pages 32b, ~~57a~~, 58, 30, 32a, 51a (P+I)
~~22 (P+I)~~ (18a (P+I))
Attachment 4.19-B, page 6 (P+I)

10. SUBJECT OF AMENDMENT:

Smoking Cessation Services

11. 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: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Robin Arnold-Williams

13. TYPED NAME:

ROBIN ARNOLD-WILLIAMS

14. TITLE:

Secretary

15. DATE SUBMITTED:

June 24, 2008

16. RETURN TO:

Ann Myers
Department of Social and Health Services
Health and Recovery Services Administration
626 8th Ave SE MS: 45504
Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

JUN 24 2008

18. DATE APPROVED:

JUL - 2 2009

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

AUG - 7 2008

20. SIGNATURE OF REGIONAL OFFICIAL:

Barbara K. Richards

21. TYPED NAME:

Barbara K. Richards

22. TITLE:

Associate Regional Administrator

23. REMARKS:

**Division of Medicaid &
Children's Health**

P+I changes authorized by the state on 6/24/08
P+I changes authorized by the state on 11/4/08.
P+I changes authorized by the state on 12/29/2008
~~**P+I changes authorized by the state on 12/31/2008.**~~
P+I changes authorized by the state on 2/24/2009.
~~**P+I changes authorized by the state on 4/6/09.**~~

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

- 5. a. Physicians' services (continued)
 - (9) Clients participating in the department-approved smoking cessation program may receive prescription medication(s).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

12. a. Prescribed drugs

Drug Coverage

- (1) Covered outpatient drugs as defined in Section 1927 (k)(2) of the Act are those which are prescribed for a medically accepted indication and produced by any manufacturer, which has entered into and complies with an agreement under Section 1927(a) of the Act.
- (2) Prescriptions written as a result of an EPSDT visit will be approved as ordered by the prescriber.
- (3) Drugs excluded from coverage as provided by Section 1927(d) (2) of the Act are designated in Attachment 3.1-A and 3.1-B, pages 32a and 32b of this plan. Experimental drugs are excluded from coverage.

Prior Authorization

- (4) Prescription drugs may be subject to prior authorization by the agency to ensure that drugs are prescribed and dispensed appropriately.
- (5) HRSA determines which prescription drugs may require prior authorization by reviewing the drug(s) for the following:
 - Safety
 - Potential for abuse or misuse
 - Narrow therapeutic index
 - High cost when less expensive alternatives are available
- (6) Prior authorization programs for covered outpatient drugs provide for a response within 24 hours of a request for prior authorization and provides for the dispersing of at least a 72-hours supply of medications in emergency situations.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

12. a. Prescribed Drugs (continued)

CitationProvision

1935(d) The Medicaid agency will not cover any Part D drug for full- benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

1927(d)(2) and 1935(d)(2) (a) The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit –Part D.

X The following excluded drugs are covered:

- X (i) Agents when used to promote weight gain (e.g., progestin derivative appetite stimulant, androgenic agents)
- No (ii) Agents when used for anorexia
- No (iii) Agents when used to promote weight loss
- No (iv) Agents when used to promote fertility
- No (v) Agents when used for cosmetic purposes or hair growth
- X (vi) Agents when used for the symptomatic relief cough and colds: antitussives, expectorants, sympathomimetic agents, decongestants, antihistamine combination drugs, anticholinergic agents
- X (vii) Prescription vitamins and mineral products, except prenatal vitamins and fluoride: vitamin A, vitamin B12, folic acid, vitamin B1, vitamin B2, vitamin B6, vitamin D, vitamin E, vitamin C, vitamin B complex, selenium, zinc, vitamin K, sustained acting niacin, aminobenzoate potassium, hydroxocobalamin
- X (viii) Nonprescription (OTC) drugs: analgesics/antipyretics, antacids, antidiarrheals, antibacterial topical preparations, antiemetic/antivertigo agents, antiflatulents, antifungals, antihistamines, antitussives, antiseptics, antiseborrheic agents, blood sugar diagnostics, decongestants, ear wax removers, electrolyte depleters, electrolyte replacements, emetics, expectorants, eye lubricants, eye vasoconstrictors, hemorrhoidal preparations, hyperglycemics, inhalation agents, irrigants, irritants/counter-irritants, keratolytics, laxatives/cathartics, lipotropics, nasal preparations, ointment/cream bases, oral sodium preparations, topical steroidal anti-inflammatories, topical antiparasitics, topical antivirals, topical anesthetics, urinary tract anesthetic/analgesics agents, nicotine replacement patches and gum

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

12. a. Prescribed Drugs (continued)

after completion of the nicotine replacement therapy supply available from the Dept. of Health under their smoking cessation program.

no (ix) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee

X (x) Barbiturates:
Butalbital, Phenobarbital, Amobarbital, Pentobarbital, and Secobarbital.

X (xi) Benzodiazepines:

X (xii) Agents when used to promote smoking cessation (drugs not eligible under Part D and are not covered for dual-eligible clients):

- FDA-approved prescription drugs to promote smoking cessation will be covered, consistent with FDA guidelines, only for clients who are eighteen years of age or older and participating in a department-approved smoking cessation program.

 No excluded drugs are covered.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

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20. Extended services for pregnant women, through the sixty days postpartum period. The extended services include:
- a. Maternity support services (MSS), by a provider approved by the Department of Health and the department consisting of the following. All staff meet Washington State licensure requirements according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.
 - (1) Nursing assessment and/or counseling visits, provided by licensed registered nurses;
 - (2) Psychosocial assessment and/or counseling visits, provided by licensed or credentialed behavior health specialists;
 - (3) Nutrition assessment and/or counseling visit, provided by registered, state-certified dieticians;
 - (4) Community health worker visit, provided by community health educators; and
 - (5) Child birth education, provided by licensed or credentialed child birth educators.
 - b. Outpatient alcohol and drug treatment for pregnant and postpartum women consisting of a chemical dependency assessment by an Alcohol and Drug Abuse Treatment and Services Act assessment center, parenting education, and chemical dependency treatment. These services are provided by Chemical Dependency Counselors approved by the Division of Alcohol and Substance Abuse (DASA) according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.
 - c. Rehabilitation alcohol and drug treatment services, excluding room and board, for pregnant and postpartum women recommended by a physician or licensed practitioner of the healing arts within the scope of their practice under State law. Services are provided in residential treatment facilities with 16 beds or less certified by the Division of Alcohol and Substance Abuse.
 - d. Genetic counseling performed by a genetic counselor approved by Parent-Child Health Services and Washington State's Department of Health according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF SERVICES PROVIDED TO THE
MEDICALLY NEEDY GROUP(S): ALL

12. a. Prescribed drugs

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- (3) Drugs excluded from coverage as provided by Section 1927(d) (2) of the Act are designated in Attachment 3.1-A and 3.1-B, pages 32a and 32b of this plan. Experimental drugs are excluded from coverage.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED TO THE
MEDICALLY NEEDY GROUP(S): ALL

12. a. Prescribed Drugs (continued)

Citation

Provision

1935(d)

The Medicaid agency will not cover any Part D drug for full- benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

1927(d)(2) and
1935(d)(2)

(a) The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit –Part D.

X **The following excluded drugs are covered:**

X (i) Agents when used to promote weight gain (e.g., progestin derivative appetite stimulant, androgenic agents)

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X (vi) Agents when used for the symptomatic relief cough and colds: antitussives, expectorants, sympathomimetic agents, decongestants, antihistamine combination drugs, anticholinergic agents

X (vii) Prescription vitamins and mineral products, except prenatal vitamins and fluoride: vitamin A, vitamin B12, folic acid, vitamin B1, vitamin B2, vitamin B6, vitamin D, vitamin E, vitamin C, vitamin B complex, selenium, zinc, vitamin K, sustained acting niacin, aminobenzoate potassium, hydroxocobalamin

X (viii) Nonprescription (OTC) drugs: analgesics/antipyretics, antacids, antidiarrheals, antibacterial topical preparations, antiemetic/antivertigo agents, antiflatulents, antifungals, antihistamines, antitussives, antiseptics, antiseborrheic agents, blood sugar diagnostics, decongestants, ear wax removers, electrolyte depleters, electrolyte replacements, emetics, expectorants, eye lubricants, eye vasoconstrictors, hemorrhoidal preparations, hyperglycemics, inhalation agents, irrigants, irritants/counter-irritants, keratolytics, laxatives/cathartics, lipotropics, nasal preparations, ointment/cream bases, oral sodium preparations, topical steroidal anti-inflammatories, topical antiparasitics, topical antivirals, topical anesthetics, urinary tract anesthetic/analgesics agents, nicotine replacement patches and gum

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED TO THE
MEDICALLY NEEDY GROUP(S): ALL

12. a. Prescribed Drugs (continued)

after completion of the nicotine replacement therapy supply available from the Dept. of Health under their smoking cessation program.

no (vii) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee

X (viii) Barbiturates:
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Pentobarbital, and Secobarbital.

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X (x) Agents when used to promote smoking cessation (drugs not eligible under Part D and are not covered for dual eligible clients):

- FDA-approved prescription drugs to promote smoking cessation will be covered, consistent with FDA guidelines, only for clients who are eighteen years of age or older and participating in a department-approved smoking cessation program.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONAMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED TO THE
MEDICALLY NEEDY GROUP(S): ALL

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18. Hospice care (in accordance with section 1903(o) of the Act.
Includes pediatric palliative care services that are provided for approved clients 20 years old and younger who have a life limiting diagnosis.
20. Extended services for pregnant women, through the sixty days postpartum period
The extended services include:
- a. Maternity support services (MSS), by a provider approved by the Department of Health and the department consisting of the following. All staff meet Washington State licensure requirements according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.
 - (1) Nursing assessment and/or counseling visits, provided by licensed registered nurses;
 - (2) Psychosocial assessment and/or counseling visits, provided by licensed or credentialed behavior health specialists;
 - (3) Nutrition assessment and/or counseling visit, provided by registered, state-certified dieticians;
 - (4) Community health worker visit, provided by community health educators; and
 - (5) Child birth education, provided by licensed or credentialed child birth educators.
 - b. Outpatient alcohol and drug treatment for pregnant and postpartum women consisting of a chemical dependency assessment by an Alcohol and Drug Abuse Treatment and Services Act assessment center, parenting education, and chemical dependency treatment. These services are provided by Chemical Dependency Counselors approved by the Division of Alcohol and Substance Abuse (DASA) according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.
 - c. Rehabilitation alcohol and drug treatment services, excluding room and board, for pregnant and postpartum women recommended by a physician or licensed practitioner of the healing arts within the scope of their practice under State law. Services are provided in residential treatment facilities with 16 beds or less certified by the Division of Alcohol and Substance Abuse.
 - d. Genetic counseling performed by a genetic counselor approved by Parent-Child Health Services and Washington State's Department of Health according to Washington State's law cited in the Revised Code of Washington, RCW 43.24.030.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: WASHINGTON

III. Physician Services

- A. For physician services, the department pays the lesser of the usual and customary charge or a fee based on a published department fee schedule. The usual and customary charge is the fee charged by a physician to his/her patients.

The agency's rates were set as of 7/1/08 and are effective for dates of services on or after that date. All rates are published on the agency's website.

Smoking cessation is covered under the fee schedule reference above.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physician services and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency's website.

- B. Maximum allowable fees are established and updated using the Resource Based Relative Value Scale (RBRVS) methodology as adopted in the Medicare Fee Schedule Data Base (MFSDB).

The MFSDB relative value units (RVU) are geographically adjusted each year by the statewide average Geographic Practice Cost Indices (GPCI) for Washington State as published annually in the Federal Register. The adjusted RVU are multiplied by a service-specific conversion factor to derive a fee for each procedure.

The department currently has unique conversion factors for Children's primary health care services, including office visits and EPSDT screens; Adult primary health care, including office visits; Maternity services, including antepartum care, deliveries, and postpartum care; Anesthesia services; Laboratory services; Radiological services; Surgical services; Consultations; etc. The department establishes budget neutrality each year when determining its conversion factors, then updates the conversion factors by any increase or decrease mandated by the Legislature.

- C. When no MFSDB RVU exists, the department may apply a set fee to the procedure or determine payment based on documentation by the provider. The department determines a set fee for drugs administered in the provider's office based on a percentage of the Average Wholesale Price (AWP) as determined by Medicare. The department determines a set fee for those professional procedures without an assigned RVU by either assigning a proxy RVU based on similar procedures, or by reviewing the medical documentation of the procedure and paying a percentage of the provider's usual and customary charge. Those procedures without RVU's are updated annually with publication of the MFSDB RVU in the Federal Register.