

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, M/S S2-26-12
Baltimore, MD 21244-1850

CMS

CENTERS for MEDICARE & MEDICAID SERVICES

Centers for Medicaid and State Operations / National Institutional Reimbursement Team

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OCT. 01 2008

DHHS / CMS / DMCH
Region 10

SEP 18 2008

Robin Arnold-Williams, Secretary
Department of Social and Health Services
Post Office Box 45010
Olympia, Washington 98504-5010

RE: 08-015A

Dear Secretary Arnold-Williams:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 08-015A. This amendment modifies the reimbursement methodology for enhanced trauma payments to qualifying hospitals. We are pleased to inform you that Medicaid State plan amendment 08-015A is approved effective April 1, 2008.

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 implementing Federal regulations at 42 CFR 447 Subpart C. We are enclosing the HCFA-179 and the amended pages. If you have any questions, please contact Joe Fico of the National Institutional Reimbursement Team at joseph.fico@cms.hhs.gov or (206) 615-2380.

Sincerely,


Herb B. Kuhn
Deputy Administrator
Acting Director, Center for Medicaid and State
Operations

Enclosures

cc: Doug Porter, Assistant Secretary, DSHS, HRSA
Ayuni Wimpee, HRSA (email)

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
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 AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4-19-A, Part I, pages 21 and 25
~~Attachment 4-19-B, page 17~~ (P+I)

10. SUBJECT OF AMENDMENT:

Supplemental Payments for Hospital Trauma Services

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Exempt
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Robin Arnold Williams

13. TYPED NAME:

ROBIN ARNOLD WILLIAMS

14. TITLE:

Secretary

15. DATE SUBMITTED:

June 30, 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

17. DATE RECEIVED:

JUN 30 2008

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

4-18-08

19. EFFECTIVE DATE OF APPROVED MATERIAL:

APR -1 2008

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:

Bill Rowan = HK

21. TYPED NAME:

William Lasowski

22. TITLE:

Deputy Director, CMSO

23. REMARKS:

*Pen + Inc changes authorized by the state on 6/30/08
Pen + Inc changes authorized by the state on 7/11/08.*

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

8. DRG Exempt Services (cont.)

h Trauma Center Services (cont.)

The payment an eligible hospital receives from the quarterly payment pool is determined by first summing each hospital's qualifying payments for trauma cases from the beginning of the service year and expressing this amount as a percentage of total payments made by the department to all Level I, II, and III hospitals for qualifying services provided during the service year to date. Each eligible hospital's payment percentage for the service year-to-date is multiplied by the trauma supplemental funds available for the service year-to-date, and then the department subtracts previous quarterly payments made to the individual hospital for the service year-to-date to determine that hospital's portion of the current quarterly payment pool.

A fee-for-service case qualifies for trauma designation if care provided has an Injury Severity Level Score (ISS) of 13 or greater for adults, 9 or greater for pediatric patients (through age 14 only) and transferred trauma patients regardless of ISS.

Level IV and V trauma centers are given an enhanced payment outside of Med card by the State's Department of Health using only State funds.

i. Inpatient Pain Center Services

Services in HRSA-authorized inpatient pain centers are paid using a fixed per diem rate.

9. Transfer Policy

For a hospital transferring a client to another acute care hospital, for a claim paid using the DRG payment method, a per diem rate is paid for each medically necessary day. The per diem rate is determined by dividing the hospital's payment rate for the appropriate DRG by that DRG's average length of stay.

Except as indicated below.

For dates of admission before August 1, 2007, the payment allowed amount to the transferring hospital will be the lesser of: the per diem rate multiplied by the number of medically necessary days at the hospital, or the appropriate DRG payment allowed amount, and

For dates of admission on and after August 1, 2007, the payment allowed amount to the transferring hospital will be the lesser of: the per diem rate multiplied by the number of medically necessary days at the hospital plus one day, or the appropriate DRG payment allowed amount.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

16. Day Outliers (cont.)

The day outlier threshold is defined as the number of an average length of stay for a discharge (for an applicable DRG), plus twenty days.

The Day Outlier Payment is based on the number of days exceeding the day outlier threshold, multiplied by the administrative day rate. Day outliers will only be paid for cases that do not reach high cost outlier status. A patient's claim can be either a day outlier or a high cost outlier, but not both.

17. Trauma Care Enhancement

The department's annual supplemental payments to hospitals for trauma services (inpatient and outpatient) total eleven million dollars, including federal match.

The Level I, II, and III trauma center enhanced payment is based on the trauma care fund established by the State of Washington in 1997 to improve the compensation to physicians and designated trauma facilities for care to Medicaid trauma patients. The payment is made through lump-sum supplemental payments made quarterly.

The payment an eligible hospital receives from the quarterly payment pool is determined by first summing each hospital's qualifying payments for trauma cases from the beginning of the service year and expressing this amount as a percentage of total payments made by the department to all Level I, II, and III hospitals for qualifying services provided during the service year to date. Each eligible hospital's payment percentage for the service year-to-date is multiplied by the trauma supplemental funds available for the service year-to-date, and then the department subtracts previous quarterly payments made to the individual hospital for the service year-to-date to determine that hospital's portion of the current quarterly payment pool.

Level IV and V trauma centers are given an enhanced payment outside of Medicaid by the State's Department of Health using only State funds.

A fee-for service case qualifies for supplemental trauma payment if the Injury Severity Score (ISS) is 13 or greater for an adult patient or 9 or greater for a pediatric patient (through age 14 only). A transferred trauma case qualifies for supplemental payment regardless of ISS.

18. Adjustment for New Newborn Screening Tests

A payment adjustment is made for the costs of new legislatively approved and funded newborn screening tests not paid through other rates.