



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Health Care Authority, Washington Apple Health

- Preproposal Statement of Inquiry was filed as WSR 16-06-099; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

Title of rule and other identifying information:

WAC 182-551-1510 Rates methodology and payment method for hospice agencies

Hearing location:

Health Care Authority
Cherry Street Plaza Building; Sue Crystal Conf Rm 106A
626 - 8th Avenue, Olympia WA 98504

Metered public parking is available street side around building. A map is available at:
http://www.hca.wa.gov/documents/directions_to_csp.pdf
or directions can be obtained by calling: (360) 725-1000

Date: **June 21, 2016** Time: **10:00 a.m.**

Date of intended adoption: Not sooner than June 22, 2016
(Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: HCA Rules Coordinator
Address: PO Box 45504, Olympia WA, 98504-5504
Delivery: 626 – 8th Avenue, Olympia WA 98504
e-mail arc@hca.wa.gov
fax (360) 586-9727

by **5:00 pm on June 21, 2016**

Assistance for persons with disabilities: Contact Amber Loughheed by June 17, 2016
e-mail: amber.loughheed@hca.wa.gov or (360) 725-1349
TTY (800) 848-5429 or 711

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The proposed amendments replace the single routine home care (RHC) per diem payment rate with a two-tiered payment model for RHC days, add a service intensity add-on payment, and include housekeeping changes throughout.

Reasons supporting proposal: Amendments to this rule are necessary to implement new CMS requirements ([42 CFR 418 Subpart G](#) Payment for Hospice Care) for routine home care (RHC) rates.

Statutory authority for adoption: RCW 41.05.021, 41.05.160, 42 CFR 418 Subpart G Payment for Hospice Care

Statute being implemented: RCW 41.05.021, 41.05.160, 42 CFR 418 Subpart G Payment for Hospice Care

Is rule necessary because of a:

- Federal Law? Yes No
 - Federal Court Decision? Yes No
 - State Court Decision? Yes No
- If yes, CITATION:
42 CFR 418 Subpart G

DATE
May 18, 2016

NAME
Wendy Barcus

SIGNATURE

TITLE
HCA Rules Coordinator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 18, 2016

TIME: 10:05 AM

WSR 16-11-101

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: N/A

Name of proponent: Health Care Authority

- Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Katie Pounds	PO Box 42716, Olympia, WA 98504-2716	(360) 725-1346
Implementation.... Mary Hughes	PO Box 45510, Olympia, WA 98504-5510	(360) 725-0469
Enforcement..... Mary Hughes	PO Box 45510, Olympia, WA 98504-5510	(360) 725-0469

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ()

fax ()

e-mail

No. Explain why no statement was prepared.

The agency has determined that the proposed filing does not impose a disproportionate cost impact on small businesses or nonprofits.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ()

fax ()

e-mail

No: Please explain:

RCW 34.05.328 does not apply to Health Care Authority rules unless requested by the Joint Administrative Rules Review Committee or applied voluntarily.

WAC 182-551-1510 Rates methodology and payment method for hospice agencies. This section describes rates methodology and payment methods for hospice care provided to hospice clients.

(1) The medicaid agency uses the same rates methodology as medicare uses for the four levels of hospice care identified in WAC 182-551-1500.

(2) Each of the four levels of hospice care has the following three rate components:

- (a) Wage component;
- (b) Wage index; and
- (c) Unweighted amount.

(3) To allow hospice payment rates to be adjusted for regional differences in wages, the medicaid agency bases payment rates on the ~~((metropolitan))~~ core-based statistical area ~~((MSA))~~ (CBSA) county location. ~~((MSAs))~~ CBSAs are identified in the medicaid agency's provider guides.

~~(4) ((Payment rates for:~~

~~(a) Routine and continuous home care services are based on the county location of the client's residence.~~

~~(b) Inpatient respite and general inpatient care services are based on the MSA county location of the providing hospice agency.~~

~~(5))~~ The medicaid agency pays hospice agencies for services (not room and board) at a daily rate ~~((calculated))~~ methodology as follows:

(a) Payments for services delivered in a client's residence (routine and continuous home care) are based on the county location of the client's residence ~~((+or))~~.

(b) Payments for routine home care (RHC) are based on a two-tiered payment methodology.

(i) Days one through sixty are paid at the base RHC rate.

(ii) Days sixty-one and after are paid at a lower RHC rate.

(iii) If a client discharges and readmits to a hospice agency's program within sixty calendar days of that discharge, the prior hospice days will continue to follow the client and count towards the client's eligible days in determining whether the hospice agency may bill at the base or lower RHC rate.

(iv) If a client discharges from a hospice agency's program for more than sixty calendar days, a readmit to the hospice agency's program will reset the client's hospice days.

(c) Hospice services are eligible for an end-of-life service intensity add-on (SIA) payment when the following criteria are met:

(i) The day on which the services are provided is an RHC level of care;

(ii) The day on which the service is provided occurs during the last seven days of life, and the client is discharged deceased;

(iii) The service is provided by a registered nurse or social worker that day for at least fifteen minutes and up to four hours total; and

(iv) The service is not provided by the social worker via telephone.

(d) Payments for respite and general inpatient care are based on the county location of the providing hospice agency.

~~((6))~~ (5) The medicaid agency:

(a) Pays for routine hospice care, continuous home care, respite care, or general inpatient care for the day of death;
(b) Does not pay room and board for the day of death; and
(c) Does not pay hospice agencies for the client's last day of hospice care when the last day is for the client's discharge, revocation, or transfer.

~~((7))~~ (6) Hospice agencies must bill the medicaid agency for their services using hospice-specific revenue codes.

~~((8))~~ (7) For hospice clients in a nursing facility:

(a) The medicaid agency pays nursing facility room and board payments at a daily rate directly to the hospice agency at ninety-five percent of the nursing facility's current medicaid daily rate in effect on the date the services were provided; and

(b) The hospice agency pays the nursing facility at a daily rate no more than the nursing facility's current medicaid daily rate.

~~((9))~~ (8) The medicaid agency:

(a) Pays a hospice care center a daily rate for room and board based on the average room and board rate for all nursing facilities in effect on the date the services were provided.

(b) Does not pay hospice agencies or hospice care centers a nursing facility room and board payment for:

(i) A client's last day of hospice care (e.g., client's discharge, revocation, or transfer); or

(ii) The day of death.

~~((10))~~ (9) The daily rate for authorized out-of-state hospice services is the same as for in-state (~~non-MSA~~) non-CBSA hospice services.

~~((11))~~ (10) The client's notice of action (award) letter states the amount (~~of participation~~) the client is responsible to pay each month towards the total cost of hospice care. The hospice agency receives a copy of the award letter and:

(a) Is responsible to collect the correct amount (~~of the client's participation if the client has~~) that the client is required to pay, if any; and

(b) Must show the client's monthly (~~participation~~) required payment on the hospice claim. (Hospice providers may refer to the medicaid agency's provider guides for how to bill a hospice claim.) If a client has a (~~participation~~) required payment amount that is not reflected on the claim and the medicaid agency reimburses the amount to the hospice agency, the amount is subject to recoupment by the medicaid agency.