

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
2201 Sixth Avenue, MS/RX -43
Seattle, WA 98121
Centers of Medicaid and CHIP Services



MAY 20 2013

Dorothy Teeter, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
Post Office Box 45502
Olympia, Washington 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 13-01

Dear Mrs. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number WA 13-01. This amendment implements the federally authorized enhanced Medicaid payment for primary care services furnished by certain physicians in the calendar years 2013 and 2014. This SPA is approved with an effective date of January 1, 2013.

As we are working in partnership to implement this important provision, we would greatly appreciate if you can inform us when your state begins to pay the increased rates to your providers. Additionally, to the extent you have information regarding the number of providers receiving the enhanced payments; we would appreciate that information as well.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at (360) 943-0469 or James.Moreth@cms.hhs.gov

Sincerely,

A handwritten signature in blue ink that reads "Carol J.C. Peverly". The signature is fluid and cursive, with the first name "Carol" being the most prominent.

Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

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

1. TRANSMITTAL NUMBER:
13-01

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
Jan. 1, 2013

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:
42 CFR 447.405, 447.410, 447.415

7. FEDERAL BUDGET IMPACT:
a. FFY 2013 \$ 13,009,456
b. FFY 2014 \$ 17,345,955

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 4.19-B pgs 7a - 7c (new)
~~Supplement 2 to Att. 4.19 B pgs 1 - 4 (new)~~
Supplement 2 to Att. 4.19 B pgs. 1-2 (new) P&I

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT:

Primary Care Rates Increase

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:

13. TYPED NAME:

MaryAnne Lindeblad

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

3-27-13

16. RETURN TO:

Ann Myers
Rules and Publications
Legal and Administrative Services
Health Care Authority
626 8th Ave SE MS: 45504
Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
3-27-13

18. DATE APPROVED: May 20, 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2013

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME:

Carol J.C. Peverly

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

3-28-13: The state authorizes a P&I change to box 8 of the 179 form to remove the reference to pages 3 and 4.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES.

III. Physician Services (cont)

42 CFR 447.405, 447.410, 447.415 Amount of Minimum Payment

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

- The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: *Washington State uses rates that differentiate based on the site of service (facility vs. non-facility), but will not differentiate based on locality (rates are mean across all counties).*

Method of Payment

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made: monthly quarterly semi-annually annually

Primary Care Services Affected by this Payment Methodology

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009, for the following codes and will not make payment for those codes under this SPA (specify codes).

99288, 99318, 99358, 99359, 99366, 99368, 99374, 99377, 99379, 99386, 99387, 99396, 99397, 99402, 99403, 99404, 99406, 99407, 99408, 99409, 99411, 99412, 99420, 99429, 99444, 99450, 99455, 99456, 99485, 99486, 99487, 99488, 99489, 99495, 99496, 90460, 90461, 90473, 90474.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES.

III. Physician Services (cont)

X The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009, (specify code and date added).

E&M codes:

99224, 99225, 99226 – added in January 2011.

Vaccine administration codes:

90650 SL – Added in July 2011

90672 SL – Added in 2013

90670 SL – Added in 2010

90681 SL – Added in July 2011

90696 SL – Added in July 2011

90748 SL – Added in July 2011

Physician Services – Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

Medicare Physician Fee Schedule rate

X State regional maximum administration fee set by the Vaccines for Children program

Rate using the CY 2009 conversion factor

Documentation of Vaccine Administration Rates in Effect 7/1/09

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: _____.

A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: _____.

X Alternative methodology to calculate the vaccine administration rate in effect 7/1/09:

The state used a flat rate of \$5.96 to reimburse administration of all VFC vaccines. Please see Supplement 2 to Attachment 4.19-B "Explanation of Vaccine Administration and Crosswalk."

TN# 13-001
Supersedes
TN# -----

Approval Date
May 20, 2013

Effective Date 01/01/2013

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES.

III. Physician Services (cont)

Effective Date of Payment

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on *December 31, 2014*, but not prior to December 31, 2014. All rates are published at the Agency's website at <http://www.hca.wa.gov/acarates/index.html>

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on *December 31, 2014*, but not prior to December 31, 2014. All rates are published at the Agency's website at <http://www.hca.wa.gov/acarates/index.html>

The State is using the second (corrected) version of the Deloitte fee schedule (which was based on the November 2012 Medicare release and the 2009 conversion factor). The state will not adjust the fee schedule to account for any changes in Medicare rates throughout the year.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON**Explanation of Vaccine Administration and Cross-Walk**

In Washington State, the administration of VFC vaccines is reported using the product (CPT) code for that vaccine and the modifier SL (state-supplied vaccine). To the state's claims processing system, this indicates that providers obtaining the VFC vaccines free of charge from the Department of Health (DOH) are billing for the administration service only. Providers receive a flat fee of \$5.96 per administration for any VFC vaccine administered. For example, if a provider administered the MMR vaccine to a child, the provider would bill 90707 SL and get reimbursed \$5.96.

If a vaccine is not available through the VFC program or if a vaccine is administered to an adult, the administration is reported using CPT codes 90471 and 90472 and the CPT code for the actual vaccine. In the same example, if the MMR vaccine is administered to an adult, the provider would bill 90471 to report the administration service in addition to the code for the MMR vaccine, 90707.

Presently, the Medicaid Agency is using 90471 and 90472 to report the administration of vaccines to adults and children if the vaccine is not available through the VFC program. When codes 90465, 90466, 90467 and 90468 were discontinued in 2011 and new codes 90460 and 90461 were introduced, the Agency made the decision to not cover these new codes. The decision was based on the fact that all vaccine administration services were already being reported accurately with either the product code in combination with the SL modifier for VFC vaccines, or with 90471/90472 in all other billing scenarios.

TN# 13-001
Supersedes
TN# -----

Approval Date
May 20, 2013

Effective Date 01/01/2013

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

Cross-walk between the product codes and CPT vaccine administration codes:

This table shows the vaccine administration reportable with vaccine product codes. Each product code cross-walks to the CPT vaccine administration code.		
Product Code		CPT Code
90633	SL	90460
90647	SL	90460
90648	SL	90460
90649	SL	90460
90650	SL	90460
90655	SL	90460
90656	SL	90460
90657	SL	90460
90658	SL	90460
90660	SL	90460
90670	SL	90460
90672	SL	90460
90680	SL	90460
90681	SL	90460
90696	SL	90460
90698	SL	90460
90700	SL	90460
90702	SL	90460
90707	SL	90460
90710	SL	90460
90713	SL	90460
90714	SL	90460
90715	SL	90460
90716	SL	90460
90723	SL	90460
90732	SL	90460
90734	SL	90460
90743	SL	90460
90744	SL	90460
90747	SL	90460
90748	SL	90460

TN# 13-001
Supersedes
TN# ----

Approval Date
May 20, 2013

Effective Date 01/01/2013