

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
2201 6<sup>th</sup> Avenue, Mailstop RX-43  
Seattle, Washington 98121



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

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**SEP 24 2013**

Dorothy Frost 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 13-23**

Dear Ms. 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 13-23. This amendment changes codes previously approved in SPA 13-01 implementing federally authorized enhanced Medicaid payments for primary care services furnished by certain physicians in the calendar years 2013 and 2014. This amendment also corrects the page number sequence in the state plan due to a technical error. The incorrect page numbers are 7a, 7b, and 7c, and have been corrected to pages 7b, 7c, and 7d.

This SPA is approved with the effective date of August 8, 2013, as requested by the state.

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](mailto:James.Moreth@cms.hhs.gov)

Sincerely,

A handwritten signature in blue ink that reads "Carol J.C. Peverly". The signature is written in a cursive style with a long, sweeping underline.

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:  
**13-23**

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  
August 8, 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:

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 \$ 59,079  
b. FFY 2014 \$354,476

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Att. 4.19-B pgs 7b, 7c, 7d (new)

Att. 4.19-B pgs 7b, 7c

10. SUBJECT OF AMENDMENT:

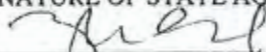
Primary Care Rates & Technical Correction

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:



13. TYPED NAME:  
MARYANNE LINDEBLAD

14. TITLE:  
MEDICAID DIRECTOR

15. DATE SUBMITTED:

8-6-13

16. RETURN TO:

Ann Myers  
Office of Rules and Publications  
Legal and Administrative Services  
Health Care Authority  
626 8<sup>th</sup> Ave SE MS: 42716  
Olympia, WA 98504-2716

**FOR REGIONAL OFFICE USE ONLY**

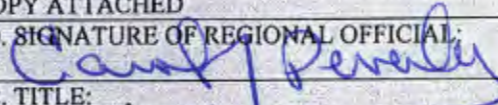
17. DATE RECEIVED: August 8, 2013

18. DATE APPROVED:  
9/24/2013

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
August 8, 2013

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:  
Carol J.C. Peverly

22. TITLE:  
Associate Regional Administrator

23. REMARKS:

Division of Medicaid &  
Children's Health

## 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, 99387,  
99397, 99402, 99403, 99404, 99406, 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

99407 – added in August 2013

*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."*

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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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.